FTP

The Family Transition Program:

Final Report on Florida's Initial Time-Limited Welfare Program

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OVERVIEW

FTP: Final Results of Florida's Initial Time-Limited Welfare Program

Launched in 1994, Florida's pilot Family Transition Program (FTP) was the first welfare reform initiative in which some families reached a time limit on their welfare eligibility and had their benefits canceled. Today, almost all states have welfare time limits (and there is a 60-month lifetime limit on federally funded assistance), although relatively few families have yet reached those limits.

FTP, which operated in Escambia County (including Pensacola) until 1999, limited most families to 24 months of cash welfare assistance in any 60-month period (the least job-ready were limited to 36 months in any 72-month period) and provided a wide array of services and incentives to help welfare recipients find work. Florida's statewide welfare program incorporates many of the pilot program's features but differs from it in key ways; thus, the evaluation of FTP did not assess the statewide program.

MDRC evaluated FTP under a contract with the Florida Department of Children and Families. Several thousand welfare applicants and recipients (mostly single mothers) were assigned, at random, to FTP or to the Aid to Families with Dependent Children (AFDC) group, which was subject to the prior welfare rules. FTP's effects were estimated by comparing how the two groups fared over a four-year period.

Key Findings

Reflecting a sharp decline in Florida's overall welfare caseload, most families in the AFDC group left welfare during the study period. Nevertheless, owing to its time limit, FTP substantially reduced long-term welfare receipt: Only 6 percent of families in the FTP group received welfare for more than 36 months compared with 17 percent in the AFDC group.

Relative to families in the AFDC group, FTP families gained more in earnings than they lost in welfare payments, resulting in a modestly higher average income for the FTP group. However, these gains in earnings and income came in the middle of the study period; by the end, the two groups were equally likely to be working and had about the same income.

Only 17 percent of families in the FTP group reached their time limit during the study period. Most of the others did not accumulate 24 or 36 months of benefit receipt (some received 24 or 36 months, but were granted medical exemptions that stopped their time-limit clocks). Somewhat less than half of those who reached their time limit worked steadily in the subsequent 18 months, and many relied heavily on family, friends, Food Stamps, and housing assistance for support. Most of these families struggled financially, but did not appear to be worse off than many other families who left welfare for other reasons.

FTP had few impacts, positive or negative, on the well-being of elementary-school-aged children. Among adolescents, however, children in the FTP group performed somewhat worse than their AFDC counterparts on a couple of measures of school performance.

The final results from the FTP evaluation show that, at least under certain circumstances, time limits can be implemented without having widespread, severe consequences for families. Nevertheless, caution is in order: FTP operated in a strong local and national labor market, had plentiful resources for staff and services, and imposed no lifetime limit on welfare receipt. Where these conditions do not hold, the consequences of time limits might differ from those found in this evaluation.

The authors of the report are Dan Bloom, James J. Kemple, Pamela Morris, Susan Scrivener, Nandita Verma, and Richard Hendra. The FTP evaluation was funded by the Florida Department of Children and Families, the U.S. Department of Health and Human Services, and the Ford Foundation. The organizations that funded the analysis of FTP's effects on children are listed at the front of the report.

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Preface

This is the fifth and final report from MDRC's six-year evaluation of Florida's Family Transition Program (FTP). Operated as a pilot program in Escambia County (Pensacola) from 1994 to 1999, FTP was one of the nation's first welfare reform initiatives to impose a time limit on families' receipt of cash assistance. The program also provided an unusually rich array of services and incentives to support them in finding and keeping jobs.

In addition to extending the evaluation's previous analyses of FTP's economic results, the final report uses detailed survey and interview data to assess the program's effects on other outcomes, including the well-being of children — a topic that is commanding increasing attention in policy discussions about social programs targeted at adults.

FTP was successful in substantially reducing long-term welfare receipt — a central goal of the program. Because many people in FTP left welfare and others were granted exemptions from time limits, only 17 percent of people in the program reached their time limits and thus had their welfare benefits canceled during the study period. After losing their benefits, many of these families relied heavily on other supports (such as family, friends, Food Stamps, and housing assistance), but they did not appear to be worse off than many families who left welfare for other reasons.

How did FTP affect children? Younger children did not seem to be affected either positively or negatively. Among older children, however, the program had small detrimental effects on a couple of measures of school performance, suggesting that increases in maternal employment may have negative consequences for some older children.

The findings indicate that time limits can be implemented without having widespread severe consequences for families' well-being. However, FTP operated in a strong labor market, had ample resources, and — unlike programs now operating in the context of federal time limits — imposed no lifetime limit on welfare receipt. How families would fare given a different set of conditions, including different practices for granting time-limit exemptions, remains an open question.

We extend our gratitude to the Florida Department of Children and Families for unstintingly supporting and assisting the evaluation, to the U.S. Department of Health and Human Services and the Ford Foundation for their support, and to the study members for their participation. Their collective commitment made the evaluation possible.

Judith M. Gueron
President

Acknowledgments

This is the last of five reports issued by MDRC as part of the six-year evaluation of the Family Transition Program (FTP) in Escambia County. The evaluation could not have been completed without the contributions of numerous individuals.

In the Florida Department of Children and Families (DCF), Don Winstead, Welfare Reform Administrator, has provided unstinting support for the study through the years and offered insightful comments on a draft of the final report. Pat Hall also aided the evaluation in important ways. Tom McConnell ably served as DCF's primary liaison with MDRC during the latter years of the study; Marcia Dukes and Dan Goss played key roles in earlier years. Bill Hudgens, Wen Wu McDaniel, Fred Dietrich, and Susan Chase, of DCF, and Christo Tolia and Jerry Arnold, of the Division of Public Assistance Fraud, were instrumental in providing administrative records data. Jim Stephens reviewed a draft of the final report.

In Escambia County, many people in DCF, the Department of Labor and Employment Security (DLES), and other agencies contributed to the study. Managers, supervisors, and line staff went to extraordinary lengths to make the complex study design work under difficult circumstances, and were always patient and candid in discussing their experiences with MDRC researchers. Space does not permit us to mention everyone who contributed, but special thanks are due Charles Bates, District Administrator; Mamun Rashied, Deputy District Administrator; Shirley Jacques and Vicki Davis, former administrators of FTP; John Bouldin and Phil Wrobel, who served as liaisons to MDRC; and Jan Blauvelt, who assisted the study on numerous occasions. Thanks also to Theresa Allen, Dawn Sand, and Diane Hutcherson, who provided information for the study. Cecil Lanier played a critical role in getting the study off the ground.

In DLES, Norman Cushon, Linda Gampher, Freda Lacey, and Catherine Powell assisted the study at various points.

The final report benefited from input and comments from Olivia Golden, Howard Rolston, and others at the U.S. Department of Health and Human Services, Administration for Children and Families, and from Kris Moore at Child Trends. In addition, the efforts and expertise of federal agencies, representatives of states, and researchers and foundations in the Project on State-Level Child Outcomes played an important role in developing the child survey instrument, informing the conceptual framework, and providing valuable feedback during various stages of the analysis of child and family impacts.

At MDRC, Barbara Goldman has overseen the study since its inception. Judith Gueron, Gordon Berlin, Robert Granger, Charles Michalopoulos, Lisa Gennetian, Virginia Knox, and Judith Greissman reviewed drafts of the report and offered valuable guidance.

Tracey Hoy and Frank Tsai played major roles in the analysis of the four-year survey modules involving adult outcomes, while Jared Smith, Wanda Vargas, and Anne Sweeney played similarly critical roles for the child- and family-focused modules. Nikita Hunter coordinated the production of the report and the fact-checking process.

Greg Hoerz oversaw the design of the surveys and managed the contract with Abt Associates, the survey subcontractor. Jordan Kolovson oversaw the post-time-limit survey; Gloria Battle and Patti Anderson conducted initial interviews; and Averil Clarke conducted the 18-month ethnographic interviews and prepared case summaries. Anita Kraus, working under the guidance of Irene Robling and Adria Gallup-Black, prepared the administrative records for analysis. Joel Gordon designed the random assignment system and provided data support with the assistance of Carl Subick and Arthur Chachuna. Mary Farrell, Jim Healy, Rachel Hitch, Jo Anna Hunter, Ebonya Washington, and Cathy Cousear played important roles in earlier phases of the study.

Charles Daniel, Joyce Dees, Donna George, Marguerite Payne, and Carmen Troche, working under the supervision of Shirley James, handled thousands of random assignment telephone calls and processed a similar number of baseline forms.

Robert Weber edited the report; Valerie Chase edited some of the summary material; and Stephanie Cowell prepared the manuscript for publication.

Finally, the study would have been impossible without the parents in the FTP and AFDC groups who took the time to respond to the surveys and offered their insights during focus groups.

The Authors

Executive Summary

In 1994, the State of Florida launched the Family Transition Program (FTP), the nation's first experiment with welfare time limits. Today, almost all states have established time limits on cash assistance benefits, either for adults or for entire families, and the 1996 federal welfare law has imposed a nationwide 60-month time limit on *federally* funded benefits (with limited exceptions). FTP has attracted national attention, both because it anticipated key elements of later federal and state welfare reforms — even today, relatively few families nationwide have reached a time limit – and because it is one of the few programs of its kind that has been subject to a rigorous evaluation, including an assessment of effects on participants' children.

This is the final report in a six-year independent evaluation of FTP conducted by the Manpower Demonstration Research Corporation (MDRC) under a contract with the Florida Department of Children and Families, with funding from the U.S. Department of Health and Human Services, the Ford Foundation, and the other organizations listed at the front of the report.

FTP, which operated until late 1999 in Escambia County (which includes the city of Pensacola), limited most families to 24 months of welfare receipt in any 60-month period (the least job-ready were limited to 36 months of receipt in any 72-month period). The program also provided an unusually rich array of services, supports, and financial work incentives designed to help welfare recipients prepare for, find, and keep jobs. Florida's current statewide welfare program includes similar time limits and financial work incentives, but differs from FTP in other key respects; thus, the evaluation is not assessing the state's current program.

To assess what difference FTP made, the evaluation compared the experiences of two groups: the *FTP group*, whose members were subject to the program, and the *Aid to Families with Dependent Children (AFDC) group*, whose members were subject to the prior welfare rules. To ensure that the groups would be comparable, welfare applicants and recipients (most of them single mothers) were assigned *at random* to one or the other group. Because the two groups had similar kinds of people, any differences that emerged between the groups during the study's follow-up period can reliably be attributed to FTP rather than to differences in personal characteristics or changes in the external environment. These differences are known as program *impacts*. The study focused on about 2,800 people who were assigned to the FTP and AFDC groups in 1994 and early 1995, tracking each person for at least four years after they entered the study.

The FTP evaluation differs in one key respect from many earlier random assignment studies, in which individuals subject to a mandatory welfare-to-work program were compared to people in a "control group" that was not required to participate in employment services (but could do so voluntarily). In this case, many members of the AFDC group *were* subject to such mandates, in accordance with rules that existed before FTP began. Thus, the study is assessing what difference FTP made *above and beyond* the effects of Florida's pre-existing welfare-to-work program.

Findings in Brief

FTP's results were affected by the unusual environment in which it operated — a period of low unemployment, highly publicized changes in state and national welfare policies, and an unprecedented 70 percent decline in Florida's welfare caseload. These factors shaped the outcomes of the AFDC

group — many of whom left welfare without the program — and left little room for FTP to generate large impacts. In addition, FTP was forced to begin operations very quickly, with little time for planning, and early enrollees (who are the focus of the study) entered the program before it was running smoothly. For these reasons, the evaluation results represent a conservative estimate of the program's potential. Nevertheless, FTP produced several important effects:

- **On average, over the four-year study period, FTP increased employment and earnings, reduced welfare receipt, and modestly increased participants' income.**

Reflecting the rapid decline in Florida's welfare caseload, 96 percent of the AFDC group left welfare, at least temporarily, during the follow-up period, and less than 20 percent were receiving benefits at the end of the period. Nevertheless, owing in large part to its time limit, FTP substantially reduced long-term welfare receipt: only 6 percent of the FTP group received benefits for more than 36 months, compared with 17 percent of the AFDC group.

The FTP group received, on average, about $700 (15 percent) less cash assistance than the AFDC group and $500 (8 percent) less in Food Stamps over the four years. The FTP group's earnings were about $2,400 higher, on average — more than offsetting their losses in public assistance. Thus, compared with the AFDC group, the FTP group had about $1,200 (5 percent) more income from these sources over the four years and derived a greater fraction of its income from earnings and a smaller share from public assistance.

- **The pattern of results changed over time: At the end of the follow-up period, the FTP group was less likely to be receiving welfare, but no more likely to be working, and the two groups had the same average income.**

FTP's positive effects on employment and income were concentrated in years 2 and 3 of the follow-up period. During year 4, the AFDC group "caught up," and the two groups were equally likely to be working at the end of period. The FTP group was substantially less likely to be receiving welfare at the end, but the impact on welfare payments was small in dollar terms because neither group received much cash assistance by that point. As a result, the two groups had about the same combined income from earnings and public assistance in the last few months of follow-up.

- **At the end of the four-year period, there were few differences between the groups on most measures of economic well-being, although, on a few indicators, the FTP group's living conditions appeared to be slightly better.**

At the four-year point, members of the FTP group were somewhat less likely to report having multiple housing problems and more likely to report that they usually had at least enough money to make ends meet. Otherwise, however, there were few effects on a range of measures of material hardship. FTP also did not affect marriage, fertility, or health insurance coverage. Most people in both groups were off welfare and working at the end of follow-up, but wages were low, and economic conditions were poor for many families: Nearly two-thirds of each group reported that they had experienced at least one serious material hardship in the past year — for example, being unable to pay their full rent or having their telephone disconnected.

- **The increases in employment, earnings, and income were concentrated among less disadvantaged participants.**

Among those least at risk of long-term welfare receipt (based on their employment and welfare history and other characteristics measured at enrollment), the FTP group had about $4,200 (19 percent) more earnings and $3,200 (11 percent) more income than the AFDC group over the four-year period. In contrast, FTP barely affected employment, earnings, or income for those most at risk of long-term receipt. For a small group facing particularly serious barriers to employment, FTP appears to have reduced income: reductions in public assistance benefits —driven in part by the time limit — were larger than increases in earnings.

- **On average, FTP had few effects for young children, but it had a couple of negative impacts on school outcomes for adolescents.**

Among children who were 5 to 12 years old at the four-year follow-up, FTP children were more likely than their AFDC group peers to be in child care, and their parents were more likely to receive child care subsidy assistance. FTP children were also more likely to be cared for and to receive financial support from their noncustodial fathers. On measures of parenting and child well-being, however, there were few differences between the two groups. For FTP adolescents, there was a negative impact on school performance and an increased likelihood of being suspended.

- **Surprisingly, FTP had some negative effects on children in the least disadvantaged families — the subgroup with the largest earnings impacts.**

According to parental reports, FTP children in the families *least* at risk of long-term welfare receipt had lower levels of school performance than their AFDC group peers and were more likely to have been suspended from school. These effects were found for all school-age children, not just adolescents. A detailed analysis focusing on the small sample of 5- to 12-year-olds in this subgroup found that FTP parents supervised their children less closely than AFDC parents, perhaps because they were more likely to be working near the end of the follow-up period. Notably, for the *most* disadvantaged families (who were most likely to reach the time limit), FTP had no impact, either positive or negative, on child well-being.

- **Only about one-sixth of FTP participants reached the time limit; most of these families struggled financially after losing their benefits, but did not appear to be worse off than many other families who left welfare for other reasons.**

Only 17 percent of the FTP group reached the time limit in the study period; most of the others left welfare and did not accumulate 24 or 36 months of benefit receipt. Another 7 percent would have reached the limit (they received at least 24 or 36 months of benefits), but some of their months of receipt were not counted, usually because they were granted a medical exemption.

Almost all of those who actually reached the time limit had their benefits canceled, and fewer than half of these individuals worked steadily in the post-time-limit period. In-depth interviews found that many relied heavily on family, friends, Food Stamps, and housing assistance. Few experienced the most severe hardships — homelessness or hunger — and most, whether working or not, struggled to make ends meet. In this respect, families who reached the time limit were similar to many other families in both groups who left welfare for other reasons.

- **FTP's focus on intensive case management and services was expensive, and the welfare savings generated by the program were not large enough to offset the substantial upfront costs.**

Saving money for taxpayers was not a central goal of FTP. Florida initially approached time-limited welfare cautiously, giving FTP almost unlimited funding for staffing, services, and supports to ensure that FTP participants could achieve self-sufficiency. Thus, the program's net cost (the cost of FTP over and above what was spent on the AFDC group) was high relative to other welfare-to-work programs — nearly $8,000 per person over five years. Offsetting welfare savings were limited because most of the AFDC group left assistance without the program.

Implications

Time limits have been among the most controversial features of state and federal welfare reforms in the 1990s but, as of late 2000, Escambia County is one of only a few places where families have reached a time limit and had their benefits canceled. On average, FTP's combination of intensive services, work incentives, and time limits substantially decreased long-term welfare receipt while modestly increasing participants' income. Moreover, the results are probably a conservative estimate of FTP's potential because the AFDC group was influenced to some extent by the welfare reform environment. Perhaps most important, the FTP experience shows that, under certain circumstances at least, time limits can be implemented without causing the widespread severe consequences predicted by some critics of the policy.

But caution is in order. First, FTP's results were not uniformly positive. It appears that a group of families lost income as a result of FTP, and the program generated negative effects for some groups of children. In addition, the follow-up was too short to allow final conclusions to be drawn about the families whose benefits were canceled at the time limit: Their complex coping strategies may or may not be sustainable over the long term, particularly if the labor market weakens. Finally, while there is little evidence that FTP made a large number of families much worse off, the program also has not yielded the dramatic positive impacts that were anticipated by some proponents of time limits during the national welfare reform debate.

Second, it is critical to consider the unique circumstances under which FTP operated: far from any large city, in a healthy economic climate, with ample resources for staff and services. Moreover, some recipients facing very serious barriers to employment (for example, health problems) were exempted from the time limit, and those who were cut off lost relatively little money (because Florida's welfare grant levels are low). These circumstances may have left little room for FTP to achieve large positive effects (because most of the AFDC group left welfare without the program), but they also reduced the chances that the program would cause serious harm to vulnerable families.

Summary Report

The Family Transition Program (FTP) was a welfare reform pilot project that operated from 1994 to 1999 in Escambia County, Florida — a mid-sized county that includes the City of Pensacola. FTP was one of the first welfare reform initiatives to impose a time limit on the receipt of cash assistance — 24 months in any 60-month period for most recipients and 36 months in any 72-month period for the least job-ready — and was the first program in the nation in which families reached a time limit and had their welfare benefits canceled. In addition to its time limit, FTP included an unusually rich array of services, mandates, and financial work incentives designed to help welfare recipients prepare for, find, and hold jobs.

FTP was implemented more than two years before the passage of the 1996 federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and it anticipated key elements of the federal law. FTP also served as a pilot for Florida's statewide welfare reform program, implemented in late 1996. Thus, FTP provides important lessons on the implementation and potential effects of more recent welfare reform initiatives in Florida and elsewhere — although this evaluation does not measure the effectiveness of Florida's current statewide welfare program.

In 1994, the Florida Department of Children and Families contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct a multifaceted evaluation of FTP's effectiveness. The study was also funded by the U.S. Department of Health and Human Services and the Ford Foundation, and its analysis of FTP's effects on children was funded by the agencies and foundations listed at the front of this report. MDRC is a nonprofit, nonpartisan organization with 25 years' experience designing and evaluating social policy initiatives, including many state and federal welfare reforms.

To assess what difference FTP made, the study compared the experiences of two groups of people: the *FTP group*, which was subject to the program, and the *Aid to Families with Dependent Children (AFDC) group*, which was subject to the prior welfare rules (including, for many recipients, a requirement to participate in employment-related activities through Project Independence, Florida's pre-existing welfare-to-work program). To ensure that the groups would be comparable, welfare applicants and recipients were assigned *at random* to one or the other group. Because the two groups had similar kinds of people, any differences that emerged between the groups during the study's follow-up period can reliably be attributed to FTP rather than to differences in personal characteristics or changes in the external environment.

This is the fifth and final report in the FTP evaluation. It summarizes the earlier findings and provides new information in several areas. It follows eligible families for at least four years after they entered the study — well beyond the point when recipients began reaching the time limit — and uses data from a large-scale survey to assess, for the first time, FTP's effects on key outcomes such as food security and child well-being. In addition, the report provides new information from in-depth, post-welfare interviews with FTP participants whose benefits were canceled at the time limit. Finally, the report describes the results of a benefit-cost analysis, which compares FTP's financial benefits and costs for participants and government budgets.

I. Background: FTP and the Evaluation

A. The Family Transition Program

The Family Transition Program was created by the Florida legislature in April 1993 and began operating in February 1994 under waivers of federal welfare rules.[1] (These waivers were no longer needed after 1996 because FTP's provisions are permitted under the federal welfare law.)

FTP tested a model that combined a time limit on cash assistance receipt with an array of services and supports designed to help participants prepare for, find, and hold jobs. Its main goals were to increase self-sufficiency and reduce long-term welfare dependency. The key features, summarized in Table 1, included:

- **A time limit.** Most FTP participants were limited to 24 months of cash assistance receipt in any 60-month period.[2] Certain groups were exempt from the time limit, and, in addition, the program policies included several safeguards that could, in theory, lead to temporary benefit extensions for families reaching the time limit, partial (rather than full) benefit termination, or post-time-limit subsidized jobs. The AFDC group was not subject to a time limit.

- **Financial work incentives.** Under FTP, the first $200 plus one-half of any remaining earned income was disregarded (that is, not counted) in calculating a family's monthly grant. Known as an enhanced earned income disregard, this policy allowed a greater proportion of working families to retain at least a partial welfare grant. Although FTP's disregard was generous, its effect on recipients' income was limited by Florida's relatively low welfare grant levels (a maximum of $303 for a family of three): A mother with two children working half-time at the minimum wage had about $100 more income per month under FTP than under AFDC. In addition to the enhanced disregard, FTP allowed families to accumulate more assets and to own more valuable cars (relative to AFDC rules) without losing eligibility for welfare. Finally, FTP offered subsidized transitional child care for two years after participants left welfare for work, as opposed to the one year provided under prior rules.

- **Enhanced services and requirements.** FTP aimed to provide a rich array of services and supports. Most notably, participants received intensive case management provided by workers with very small caseloads. FTP participants were also more likely than AFDC group members to be required to participate in employment-related activities, and the program developed some enhanced

[1]FTP was initially implemented in two counties, Escambia (discussed in this report) and Alachua, which operated a version of FTP in which participation was voluntary. MDRC produced a single report on the impacts of the Alachua program before it was phased out in 1996. Several other counties briefly implemented FTP in 1996; they are not part of the study.

[2]Recipients were limited to 36 months of welfare in any 72-month period if they (1) had received AFDC for at least 36 of the 60 months prior to enrollment or (2) were under 24 years old and had no high school diploma and no recent work experience.

Table 1

Florida's Family Transition Program

The Key Differences Between FTP and AFDC

Characteristic	FTP Policy	AFDC Policy
Time limit on cash assistance receipt	24 months in any 60-month period for most recipients; 36 months in any 72-month period for the least job-ready. Exceptions under certain circumstances.	None
Amount of earned income disregarded in calculating cash assistance grants	The first $200 plus 50% of any remaining earnings.	First 4 months of work: $120 plus 33% of earnings; Months 5-12: $120 disregarded; After month 12: $90 disregarded.
Asset limit for cash assistance eligibility	$5,000	$1,000
Value of vehicle excluded in counting assets for cash assistance eligibility	$8,150	$1,500
Child care assistance for families leaving welfare for work	Two years of transitional child care assistance; eligibility beyond that point depended on eligibility for other programs.	One year of transitional child care assistance; eligibility beyond that point depended on eligibility for other programs.
Exemptions from employment-related mandates for recipients with young children	Parent exempt if caring for a child under 6 months old.	Parent exempt if caring for a child under 3 years old.
Parental responsibility mandates	Parents had to ensure that children attended school regularly, and had to speak with teachers at least once each grading period. Applicants with preschool children had to prove that children had begun immunizations.	None
Employment-related, social, and health services	Participants received intensive case management and a range of social and health services; enhanced employment-related services.	Participants were served by the pre-existing Project Independence welfare-to-work program.

education, training, and job placement services. Finally, FTP sought to increase participants' access to a range of other benefits, including social and health services, child care, transportation, and other support services by increasing funding for such services and bringing many of them under one roof in the program offices.

- **Parental responsibility mandates.** Under FTP, parents with school-age children were required to ensure that their children were attending school regularly and to speak with their children's teachers at least once each grading period. New applicants for welfare who had preschool children were required to provide proof that their children had begun to receive the standard series of immunizations. None of these mandates existed for the AFDC group. Parents who failed to meet these requirements — as well as those who did not comply with the employment and training participation mandates described above — faced sanctions (that is, their grants could be canceled or reduced).

B. FTP's Policy Significance

Although the 1996 federal welfare law fundamentally changed the structure and funding of cash assistance for needy families, many of the specific policies that the law encourages states to adopt were already being implemented under waivers of federal AFDC rules that were granted to 43 states prior to the bill's passage. For example, more than 30 states received waivers to implement some form of time limit on welfare receipt in at least part of the state. The federal law replaced AFDC with the Temporary Assistance for Needy Familes (TANF) block grant, and it restricted states from using federal TANF funds to provide assistance to most families for more than 60 months. Although states may exempt up to 20 percent of the caseload from this provision, they also may set time limits of fewer than 60 months.

FTP was one of the most important initiatives implemented under waivers because it was one of the first to include a time limit. Time limits have been among the most controversial features of state and federal welfare reform efforts in the 1990s. Proponents argue that time limits are necessary to send a firm message to recipients (and the system) that welfare should be temporary; they maintain that the limits will motivate recipients to find jobs or other means of support for their families. Critics contend that many recipients face serious personal problems or skills deficits that make it difficult for them to support their families for long periods without assistance; thus, they argue, time limits will cause harm to many vulnerable families.

Although time limits have been in place in a few areas for as much as six years, there are still relatively few data available to inform this debate. Overall, 25 states (including the District of Columbia) have imposed a 60-month time limit, and no families have reached those limits yet. Another eight states have not imposed time limits that result in cancellation of families' entire welfare grants.[3] Together, these two groups of states account for about three-fourths of the national welfare caseload.

[3]Most of these states have imposed "reduction" time limits that eliminate the adult's portion of a family's welfare grant but leave the children's portion intact. Two states have imposed no time limit. If these policies remain in place, (continued)

On the other side of the spectrum, 17 states — accounting for about one-fourth of the national caseload — have imposed time limits that could result in cancellation of a family's entire grant after fewer than 60 months of welfare receipt. Even among these states, however, the specific rules and their implementation vary widely. In some states, a large proportion of the welfare caseload is exempt from the time limit. Other states have granted extensions to many of the families who have reached the time limits. As a result, there are only a handful of states in which a substantial number of families have had their benefits canceled at a time limit. A few of these states are tracking the families whose cases were closed, and an even smaller number are sponsoring random assignment evaluations that will provide reliable information on program effects.

In short, while the FTP evaluation is not designed to isolate the impact of the time limit per se — the program was an integrated package of services, incentives, and time limits — the study is one of only a few sources of reliable evidence on the implementation and effects of one the most important recent changes in welfare policy.

In Florida, FTP was the precursor to WAGES (Work and Gain Economic Self-Sufficiency), a statewide welfare reform that operated from 1996 to 2000. FTP and WAGES shared many features, including the time limit, enhanced earned income disregard, and extended transitional child care.[4] At the same time, while the implementation of WAGES varied across the state, it generally did not include FTP's emphasis on very intensive services and case management. In 2000, WAGES was merged with the state's workforce program, but many of the key policies (including the time limit) remain in place.

C. The FTP Evaluation

The FTP evaluation, which began in early 1994, was initially required as a condition of the federal waivers that allowed Florida to implement the program. The state elected to continue the evaluation even though it was not required to do so under the 1996 federal welfare law.

The evaluation includes three major components:

- **Implementation analysis.** This part of the study examines how FTP operated. Data on a program's implementation can be critical to interpreting its impacts and to identifying practices that are associated with success.
- **Impact analysis.** This part of the study assesses whether FTP generated changes in participants' employment, earnings, welfare receipt, family income, and other outcomes, relative to the AFDC system it replaced. The impact analysis is also examining FTP's effects on families and children.

all eight of these states will need to use state funds to assist children or entire families who pass the federal 60-month limit and exceed the cap on exemptions.

[4]Both FTP and WAGES set time limits of 24 months in any 60-month period for most recipients and 36 months in any 72-month period for the least job-ready. However, unlike FTP, WAGES also imposed a 48-month lifetime time limit on benefit receipt.

- **Benefit-cost analysis.** This analysis uses data from the impact analysis and from agency fiscal records to compare the financial benefits and costs of FTP for both the government budget and families subject to the program.

As noted earlier, the impact analysis was based on a random assignment research design. Although this design has some limitations — for example, the study cannot assess whether FTP affected the number of people who initially applied for welfare — random assignment is generally considered to be the most reliable way to determine what difference, if any, a program makes.

People were assigned to the FTP and AFDC groups when they applied for welfare or, if they were already receiving benefits, when they came to the welfare office for a recertification interview. Three key aspects of this process are worth noting:

- Certain groups of recipients — including those who asserted that they were incapacitated and unable to work — were screened out prior to random assignment and did not enter the study.[5] Thus, the study does not provide information on the impact of FTP for the full welfare caseload — including, potentially, a small but very hard-to-employ segment of the population. (As discussed below, some other participants were exempted from FTP after they were randomly assigned; they remained in the study.)

- Welfare applicants were randomly assigned before staff knew whether their application would be approved. Thus, around 8 percent of the FTP group never received cash assistance during the follow-up period, either because they did not follow through with their application or because they were found to be ineligible for benefits. These individuals had little or no contact with the program.

- Unlike many earlier studies, this one did not compare FTP with a control group that was not required to engage in any employment-related activities. In accordance with prior rules, many members of the AFDC group were required to participate in Project Independence (PI). As a result, the impact analysis assessed what difference FTP made above and beyond the impact produced by AFDC/PI.

The evaluation focused on the approximately 2,800 single parents (1,400 in each group) who were randomly assigned to the FTP and AFDC groups from May 1994 (when FTP began full-scale operations) to February 1995; these individuals are known as the *report sample*. Thus, the evaluation included mostly people who entered FTP during its start-up period.

Almost all of the report sample members are women, and their average age was about 29 years old when they entered the study. Although most had small families, about two-thirds had at least one preschool child, and more than 40 percent had a child under 2 years old. Roughly equal proportions of

[5]The following groups were exempt from FTP; they were screened out and not randomly assigned: "child-only" cases in which no adult was counted in the grant calculation; recipients who were incapacitated or caring full time for a disabled dependent; recipients who were under 18 and in school or working; recipients who were 62 years old or older; and parents caring for a child under 6 months old. A narrower range of families was exempted under WAGES.

the sample are black and white; there are few Hispanics. The vast majority of sample members had at least some work experience, but most had little *recent* work experience, and 40 percent had *never* worked full time for six months or more for one employer. Nearly 40 percent did not have a high school diploma or equivalent. About half were applying for welfare when they were randomly assigned, but only 12 percent were first-time applicants; more than half had received welfare for a total of two years or more prior to random assignment.

The study used a variety of data sources to assess FTP's implementation and impacts. Key among these were administrative records of sample members' monthly cash assistance and Food Stamp benefits in Florida, quarterly earnings in jobs covered by Florida's Unemployment Insurance (UI) system, child care subsidy payments, and Medicaid-covered health expenditures.

In addition, the study drew on two relatively large-scale surveys of FTP and AFDC group members. The first, administered about two years after people were randomly assigned, included about 600 respondents (300 in each group) and was mainly used to assess FTP's implementation and its program message. The second survey was administered to more than 1,700 people (a little more than 850 in each group) roughly four years after random assignment.[6] More than 1,100 of those who responded to the four-year survey — those with at least one child between 5 and 12 years old when interviewed — answered a special 90-minute segment of questions about child care, parenting, and child well-being. Both surveys achieved high response rates: 80 percent of targeted clients were located and interviewed.

Finally, MDRC examined the implementation of both FTP and AFDC/PI by interviewing staff, observing program activities, reviewing client case files, administering a staff survey, and holding focus groups with participants. The cost analysis drew on a variety of fiscal reports and other program records.

D. The Context

In considering the broader applicability of the FTP experience, it is critical to understand the unusual context in which the program operated. Three factors are particularly important:

- **Socioeconomic conditions.** Escambia is a mid-sized county with no large cities; the local unemployment rate was at or below the already-low state and national rates throughout the study period.

- **Welfare reform environment.** FTP was implemented during a period of extraordinary change in state and federal welfare policy. The federal welfare law and Florida's statewide welfare reform were both enacted about two years after FTP began operating. In addition, Florida's welfare caseload declined at an unprecedented rate during the period. After more than doubling from 1989 to late 1993, the caseload plunged by 71 percent from January 1994 to June 1999. There is no doubt that the

[6]The four-year client survey targeted a subset of the report sample — the 2,160 people randomly assigned from August 1994 to February 1995.

AFDC group was affected to some extent by the broad public discourse about welfare reform.

- **Timing.** FTP was implemented when time limits were still a new and unfamiliar concept. Many participants (and some staff) initially expressed uncertainty or skepticism about whether families' benefits would actually be terminated at the time limit.

Together, these factors suggest that the evaluation represents a conservative test of FTP's impacts — that the measured impacts might have been larger if the AFDC group had been completely unaffected by welfare reform and if FTP had not been the first program of its type.

Nevertheless, the weight of the evidence suggests that FTP received a fair test. The data presented below show that the FTP and AFDC groups had dramatically different experiences while on welfare. FTP sent a sharply different message and provided different services than AFDC/PI, and its time limit was real. If these key program components truly affected participants' outcomes, this would be reflected in program impacts.

II. Evaluation Results

A. FTP's Implementation

Ultimately, FTP provided an impressive array of services and supports for participants. Each participant was assigned to a case manager and an employment and training worker; the two types of workers were stationed in the same office and had overlapping caseloads to facilitate communication. In addition, the FTP offices housed computerized learning labs and a variety of outstationed staff from other agencies (for example, a child care counselor, a mental health worker, and a nurse). The program was hindered at various points by staff turnover, difficulties with interagency linkages, and other issues, but it still looked dramatically different from AFDC.

It is important to note, however, that FTP began operating just three months after Escambia was selected as a pilot county; thus, local planners had little time to assemble the enhanced model. As a result, some pieces of the service package were not in place when participants began to enroll, and some early enrollees did not receive a fully implemented version of FTP. This further supports the conclusion that the study results are a conservative estimate of FTP's potential.

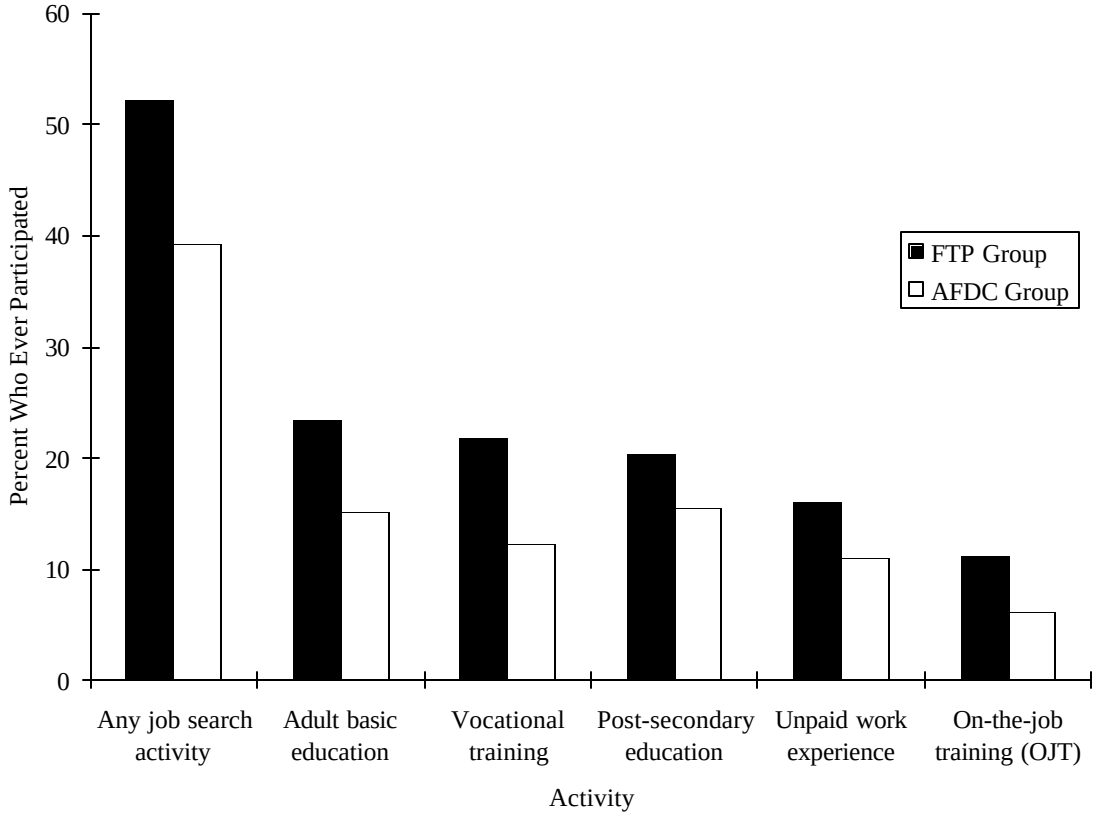
Nevertheless, data from surveys and interviews with staff and clients indicate that, even within the report sample, the FTP group had quite different experiences than the AFDC group. For example:

- As shown in Figure 1, the FTP group was substantially more likely to participate in employment-related activities. This occurred in part because AFDC group members were not required to participate if they had a child under 3 years old (FTP exempted only those with a child under 6 months old). In addition, while both groups received the same general types of employment services, FTP developed enhanced services in several areas (for example, special compressed vocational training programs). FTP was not a strict "work first" program in which job search and quick employment are strongly emphasized;

Figure 1

Florida's Family Transition Program

Self-Reported Rates of Participation in Employment-Related Activities Within Four Years After Random Assignment



SOURCES: MDRC calculations from the two- and four-year client survey data.

NOTE: All of the differences between the FTP group and the AFDC group are statistically significant except for the difference in participation in post-secondary education.

it increased participation in both job search activities and education and training. The program also increased the number of people who obtained a trade license (not shown in the figure).

- FTP case managers had very small caseloads (typically around 35 active cases per worker), allowing them to deliver more personalized services than their counterparts who worked with the AFDC group. In addition, FTP staff transmitted a message focusing more heavily on self-sufficiency. Figure 2, drawn from the two-year client survey, shows that FTP group members were more likely to report that staff knew about them and their situations and that they heard a different message while on welfare. Finally, FTP participants were much more likely to be sanctioned for failing to follow program rules, at least in the early part of the follow-up period (not shown in the figure).

- Figure 2 also shows that FTP staff did a good job of informing participants about the time limit. However, the program's message, at least in the early operational period, focused more on skill-building to prepare for "good" jobs and less on leaving welfare quickly to "bank" available months. The figure also shows that some members of the AFDC group believed, erroneously, that they were subject to a time limit.

Despite all of FTP's expanded services and supports, Figure 2 shows that, on the two-year client survey, FTP participants were only slightly more likely than AFDC group members to agree with the statement "I received help that improved my long-term chances of getting or keeping a job."[7]

B. The Time Limit

Escambia County was the first place in the United States where families reached a welfare time limit and had their benefits canceled; the first families reached the limit in 1996. Key findings related to the time limit include:

- **More than three-fourths of the FTP group received benefits for less than the 24 or 36 months allowed under their time limit.**

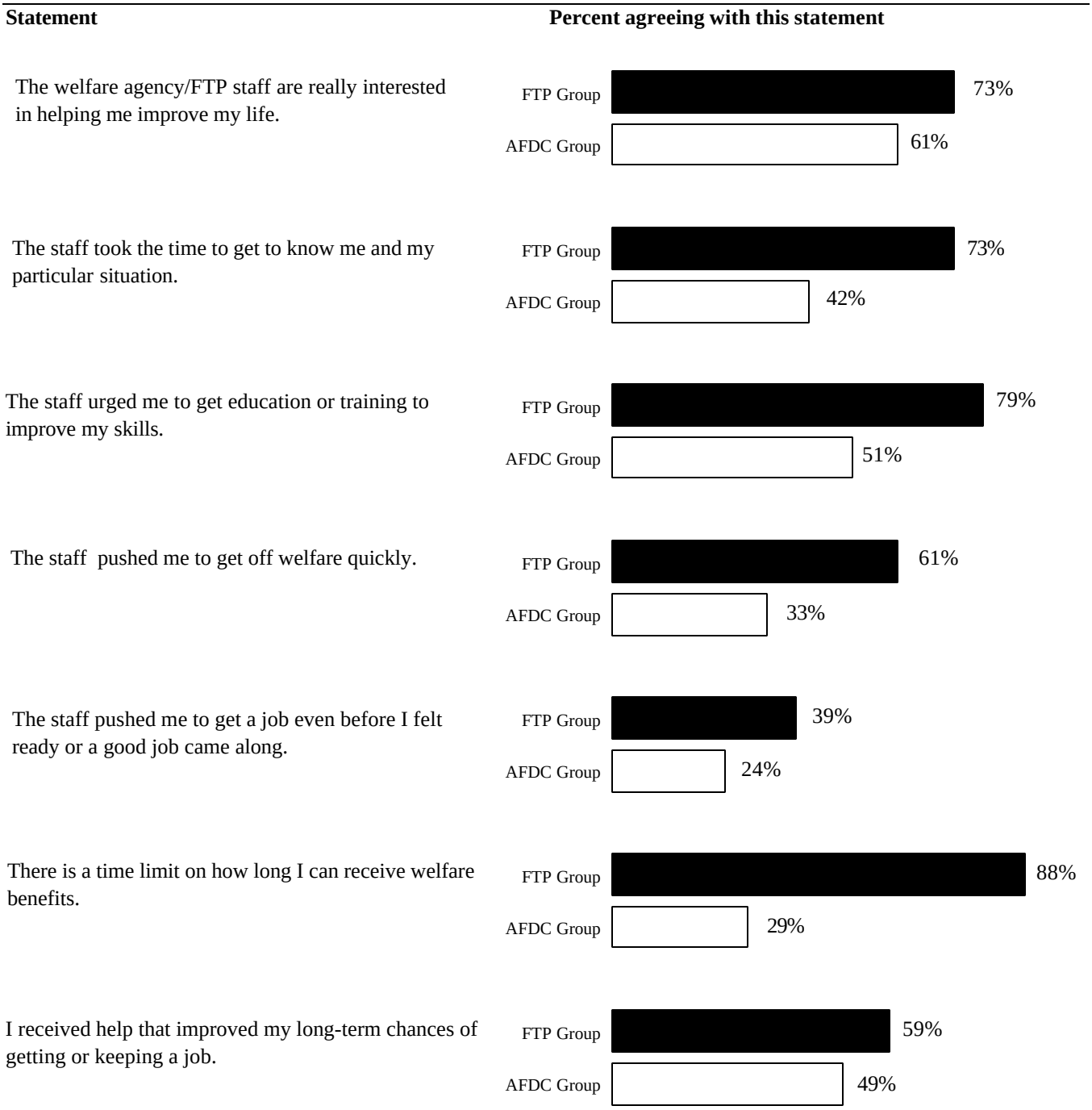
About 55 percent of the FTP group was subject to a 24-month time limit. Of this group, only 16 percent accumulated 24 or more months of benefit receipt with four years after entering the study. Among the least job-ready participants — those subject to a 36-month time limit — 27 percent received at least 36 months of benefits within four years. Thus, overall, about 21 percent of the FTP group received at least as many months of benefits as their time limit allowed; the others left welfare before reaching that point (some cycled off and back onto welfare, but still did not accumulate 24 or 36 months of benefits by the end of the study period).

[7]Although not shown in the table, the percentage who *strongly* agreed with the statement was identical for the two groups — 33 percent.

Figure 2

Florida's Family Transition Program

Experiences with the Welfare System Among FTP and AFDC Group Members



SOURCE: MDRC calculations from the two-year client survey data.

NOTES: These questions were asked of respondents who reported that they had ever received welfare since random assignment. The sample size for individual questions varies because not all respondents answered all questions.

- **About two-thirds of those who received 24 or 36 months of benefits — one-sixth of all FTP participants — had their welfare grants canceled owing to the time limit.**

FTP's rules included several safeguards related to the time limit. First, participants could be exempted if a physician found them to be incapacitated; their time-limit clock was suspended while the exemption applied (as noted earlier, people who were known to be incapacitated at the outset did not enter the program or the study).[8] Second, participants who reached the time limit could receive up to two four-month benefit extensions if they had "substantially complied with their FTP plan" but encountered "extraordinary difficulties" in finding a job or completing their assigned activities. Third, if full benefit termination was deemed "likely to result in a child's being placed into emergency shelter or foster care," the children's portion of the benefit was to be continued and diverted to a third party to administer on their behalf.

Finally, under terms of the federal waiver, Florida was required to provide a public or private transitional work opportunity to "each FTP participant who has diligently completed her self-sufficiency plan but has been unable to find employment at the end of the . . . time limit." The waiver required the state to provide a public job if a private job could not be found.[9]

FTP developed a complex, multistep process to review cases approaching the time limit, in order to determine when the various safeguards should be applied. The process included an unusual entity known as a Review Panel, which was composed of volunteers from the community. Despite the many safeguards and layers of review, however, only the first of the policies (exemptions) was used in a significant number of cases.

As shown in Figure 3, by June 1999 (shortly before FTP ended), a total of 340 members of the report sample had accumulated at least as many months of benefit receipt as their time limit allowed (that is, 24 months of receipt if they were subject to a 24-month limit, and 36 months if they were subject to a 36-month limit).[10] Of this group, 103 never reached the time limit, however, because some of their months of benefit receipt were not counted — usually because they received a medical exemption that stopped their time-limit clock (a few moved to other Florida counties, which initially did not have time limits). Thus, a total of 237 people — 17 percent of the report sample — actually reached the time limit.

The bottom section of the figure shows that, of the 237 sample members who reached the time limit, 227 (96 percent) had their welfare grant fully canceled (a handful received a brief extension before their grant was canceled). In the other cases, the children's portion of the grant was retained. No one was given a post-time-limit transitional job.

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[8]Individuals who gave birth after entering FTP were exempt from mandatory participation in employment-related activities until their child was 7 months old, but their time-limit clock continued to run.

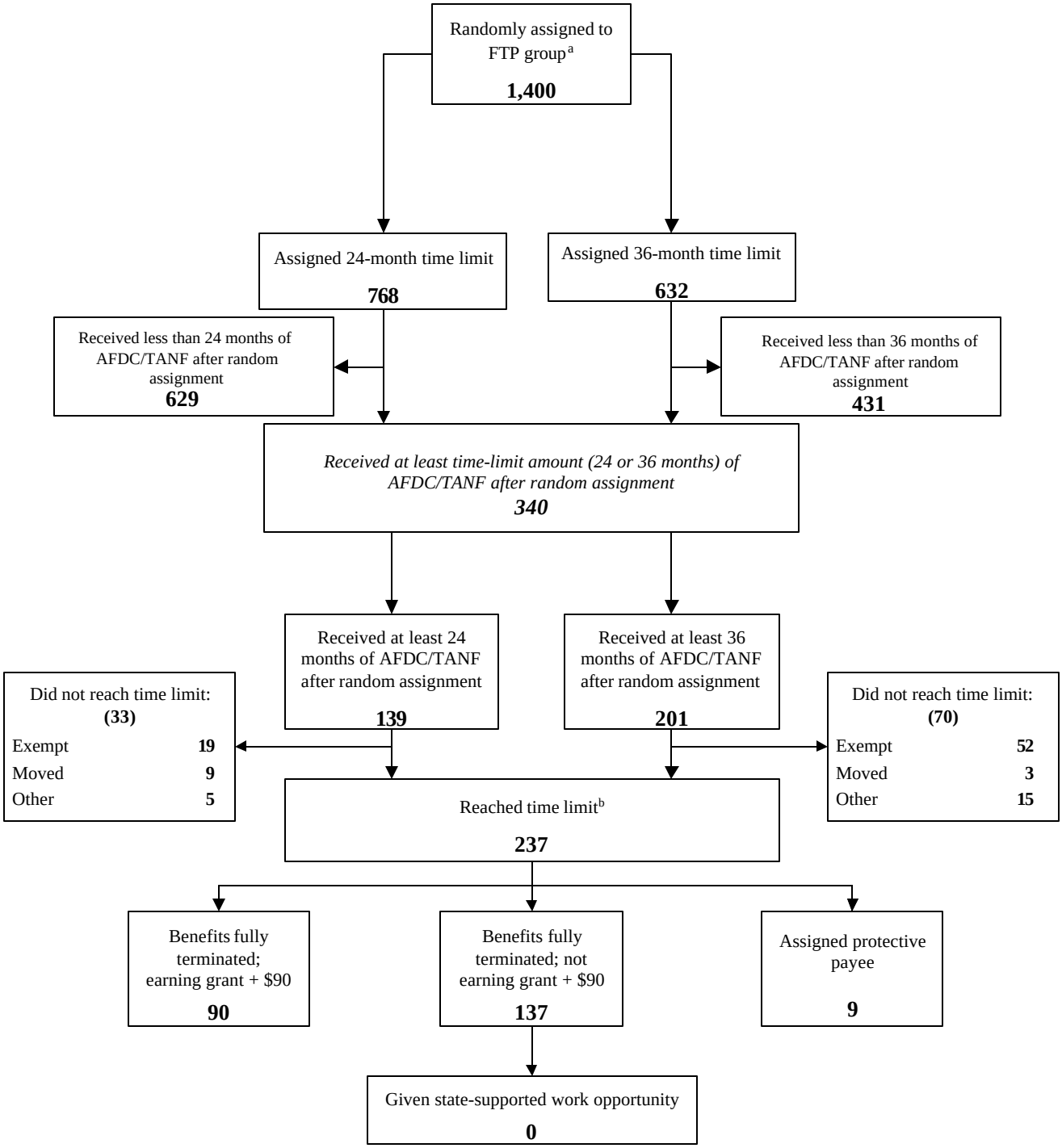
[9]Florida officially canceled its waiver after the 1996 federal welfare law passed, but it continued to operate FTP according to the waiver's terms and conditions in order to avoid disrupting the evaluation.

[10]The numbers in Figure 3 do not precisely match those cited in the previous section. For example, Figure 3 shows that 18 percent of those subject to a 24-month time limit accumulated 24 months of benefits (139/768), while the earlier section says this figure is 16 percent. The difference is that the earlier section measured benefit receipt within four years after random assignment for each person. Figure 3 follows each person through June 1999, a follow-up period of 52 to 61 months (depending on the individual's random assignment date).

Figure 3

Florida's Family Transition Program

Status as of June 1999 of Single-Parent FTP Group Members



SOURCES: MDRC calculations from Florida AFDC/TANF records and FTP data for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: [a]Five FTP group members are excluded from this analysis owing to missing data.

[b]Of this group, a small number of individuals were granted a four-month extension before their benefits were terminated. Due to data restrictions, the final termination status is unknown for one individual; thus the three bottom categories do not sum to 237.

Two factors explain the small number of extensions and the absence of transitional jobs. First, according to program records, nearly 40 percent of those who reached the time limit were already employed and earning at least as much as a standard welfare grant plus $90 (the program referred to this as "grant plus $90"). These participants were considered self-sufficient and not in need of an extension or a transitional job.[11] (In fact, many of these participants would have become ineligible for welfare before reaching the time limit had it not been for FTP's enhanced earned income disregard.)

Second, the vast majority of the people who reached the time limit without a job paying at least grant plus $90 were deemed to have been noncompliant with FTP, a designation that made them ineligible for a transitional job and very unlikely to receive an extension. "Noncompliance" was never precisely defined, and interviews with staff suggested that the distinction between failure to follow program rules and failure to make progress toward self-sufficiency became blurred in practice.

- **The FTP participants who reached the time limit were a diverse group and were not necessarily the most disadvantaged participants.**

In comparison with other FTP group members, those who reached the time limit were more likely to have received large amounts of welfare before entering FTP, to have very young children, and to be African-American. Nevertheless, even among these groups, most did not reach the time limit. For example, among those who had received welfare for five years or more prior to enrollment, only 22 percent reached the time limit. It appears that some of the participants facing the most serious barriers to employment (for example, health or emotional problems) were granted exemptions and thus did not reach the time limit.

In addition, the group reaching the time limit was far from homogeneous. For example, while half had a child under 2 years old at enrollment, one-fourth had no preschool children. In addition, they had different experiences while in FTP. More than three-quarters worked in the year prior to reaching the time limit (mixing work and welfare), and more than one-fourth worked throughout that year. As noted earlier, many of these participants presumably would have left welfare earlier had it not been for FTP's enhanced earned income disregard. In-depth interviews suggest that some of those who did not work in the pre-time-limit period faced serious barriers to employment; others were being supported by their parents or partners and may have felt little urgency about finding a job; and still others were attending post-secondary education or training programs while in FTP (with or without the program's consent).

C. FTP's Impacts on Employment, Public Assistance Receipt, and Other Economic Outcomes

The main impact analysis followed about 1,400 people in each research group for four and a half years after each person's random assignment date (for simplicity, most measures include only the first four years of follow-up). Administrative records of cash assistance receipt (referred to as AFDC/TANF), Food Stamp receipt, and quarterly earnings in UI-covered jobs were available for all

[11]The federal waiver required that the transitional jobs would allow former recipients to earn at least as much as the standard AFDC grant for their family size, plus a $90 allowance for work expenses. This became FTP's definition of self-sufficiency because families with at least this much income from non-welfare sources would presumably be no worse off after leaving welfare than they would have been had they been receiving welfare and not working. Officially, the requirement to provide transitional jobs also applied to people who were earning grant plus $90 at the time limit but later became unemployed, but FTP did not implement this provision.

sample members. Outcomes such as job characteristics, material hardship, and health coverage were examined using survey data, which were available for just over 850 people in each group who responded to the four-year client survey. Key findings on economic outcomes include:

- **On average, over the four-year follow-up period, FTP increased employment and earnings, reduced welfare receipt, and modestly raised participants' income.**

Table 2 summarizes FTP's impacts on employment and public assistance outcomes over the entire four-year follow-up period. These data are drawn from administrative records.

As is clear from the table, the AFDC group left welfare very quickly. Only 17 percent accumulated more than 36 months of cash assistance (AFDC/TANF) during the four-year period. Although not shown in the table, about 96 percent of the AFDC group left welfare, at least temporarily. This reflects the rapid overall decline in Florida's welfare caseload during this time.

Nevertheless, FTP still reduced cash assistance receipt: Only 6 percent of the FTP group received benefits for more than 36 months. Over the entire period, the FTP group received an average of $3,987 in cash assistance, roughly $700 (15 percent) less than the AFDC group average. As discussed below, these impacts appear to have been due largely to the time limit. FTP also reduced Food Stamp payments by about $500 per person (8 percent), although it did not affect the rate of Food Stamp receipt. The asterisks in Table 2 indicate that these differences are statistically significant, meaning that they are unlikely to be due to chance.

The AFDC group was also quite likely to work. Table 2 shows that 82 percent worked in a UI-covered job at some point. FTP did not increase the number of people who ever worked, but it did increase the amount that people worked. As the table shows, the average quarterly employment rate was about 48 percent for the FTP group and 44 percent for the AFDC group. As a result, average earnings over the full period were about $2,400 (17 percent) higher for the FTP group.

In dollar terms, the FTP group gained about twice as much in earnings as they lost in public assistance. Thus, Table 2 shows that members of the FTP group had nearly $1,200 more in combined income from these sources over the entire follow-up period, and they also derived a greater share of income from earnings and a smaller share from public assistance. The magnitude of the income gain was modest, however — the FTP group had about $300 more income per year, on average. It is important to note that this is not a complete measure of household income, because it does not include sample members' income from other sources (for example, child support and the federal Earned Income Credit)[12] or the income of other household members.

- **The pattern of FTP's impacts on employment, welfare receipt, and income shifted significantly over the four-year follow-up period.**

[12]Factoring in the Earned Income Credit, however, does not change the impact on income. Although it is estimated that the FTP group received nearly $300 more than the AFDC group from this credit over the four-year period, that increase was offset by increased taxes the FTP group paid.

Table 2

Florida's Family Transition Program

Summary of FTP's Impacts over the Four-Year Follow-Up Period

Outcome	FTP Group	AFDC Group	Difference (Impact)		Percentage Change
Employment					
Ever employed (%)	84.1	82.4	1.8		2.1
Average quarterly employment rate (%)	48.3	43.8	4.5	***	10.3
Public assistance receipt					
Average months receiving AFDC/TANF	15.4	17.1	-1.7	***	-9.9
Received more than 36 months of AFDC/TANF (%)	6.1	16.5	-10.4	***	-62.8
Average months receiving Food Stamps	24.6	24.8	-0.2		-0.9
Income from earnings and public assistance					
Average total earnings ($)	16,666	14,288	2,378	***	16.6
Average total AFDC/TANF benefits ($)	3,987	4,698	-711	***	-15.1
Average total Food Stamp benefits ($)	6,121	6,621	-499	***	-7.5
Combined income from earnings, AFDC/TANF, and Food Stamps ($)[a]	26,774	25,606	1,167	*	4.6
At least 50 percent of income from earnings (%)	50.1	44.7	5.4	***	12.1
Sample size	1,405	1,410			

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]This is not a complete measure of household income. It does not include sample members' income from other sources (for example, child support, the Earned Income Credit) or income obtained by other household members. However, more detailed analyses of household income yielded largely the same conclusions about FTP's impacts.

Rounding may cause slight discrepancies in the calculation of sums and differences.

The top two panels of Figure 4 illustrate the pattern of FTP's impacts on earnings and AFDC/TANF payments over the entire follow-up period. The top panel shows that FTP's impact on earnings emerged early in the follow-up period, peaked in years 2 and 3, and then disappeared by the end of year 4. At the end of the period, the employment rates for the two groups (not shown in the figure) were nearly identical. Much of the decay in FTP's impact on employment and earnings occurred because the AFDC group "caught up" to the FTP group in year 4. For example, among those not employed at the end of year 3, AFDC group members were more likely than their FTP group counterparts to work during year 4 (not shown). It is possible that the statewide implementation of WAGES — and the accompanying heavy publicity — affected the behavior of some AFDC group members, even though those who remained in Escambia County were not actually subject to WAGES until after the study ended.

The middle panel of Figure 4 shows that the impacts on cash assistance payments exhibited a somewhat different pattern. FTP did not reduce the rate of cash assistance receipt in the first two years of follow-up, before anyone reached the time limit (although, as shown in the figure, FTP did begin to reduce welfare payment amounts during year 2). Both groups left welfare rapidly, and the program's main impact during this period was to increase significantly the number of people combining work and welfare. One would normally expect an enhanced earnings disregard such as FTP's to *increase* the number of people on welfare. The fact that FTP did not increase cash assistance receipt implies that the program may have generated offsetting effects — some elements of the program (for example, strong participation mandates and the impending time limit) may have induced participants to leave welfare more quickly in the pre-time-limit period, while other elements (for example, the enhanced disregard) induced people to stay on welfare longer. These effects could have worked in opposite directions, resulting in no impact overall.[13]

The pattern of impacts on welfare receipt changed abruptly when FTP participants began reaching the time limit: The program reduced the number of people receiving cash assistance throughout years 3 and 4 and, as shown in Figure 4, the impact on cash assistance payments grew larger.

The pattern of income impacts follows from the earnings and welfare results discussed above. The bottom panel of Figure 4 shows that income gains were concentrated in year 2 and year 3, when the FTP group's earnings gains were more than large enough to offset their lower public assistance amounts. By the end of the follow-up period, however, the earnings gains had diminished and were about equal in dollar terms to the losses in public assistance. As a result, the positive impact on total income disappeared. The decline in income impacts does not erase the income gains that occurred earlier in the follow-up period, but it strongly suggests that the FTP group will not accumulate additional income gains relative to the AFDC group over time.

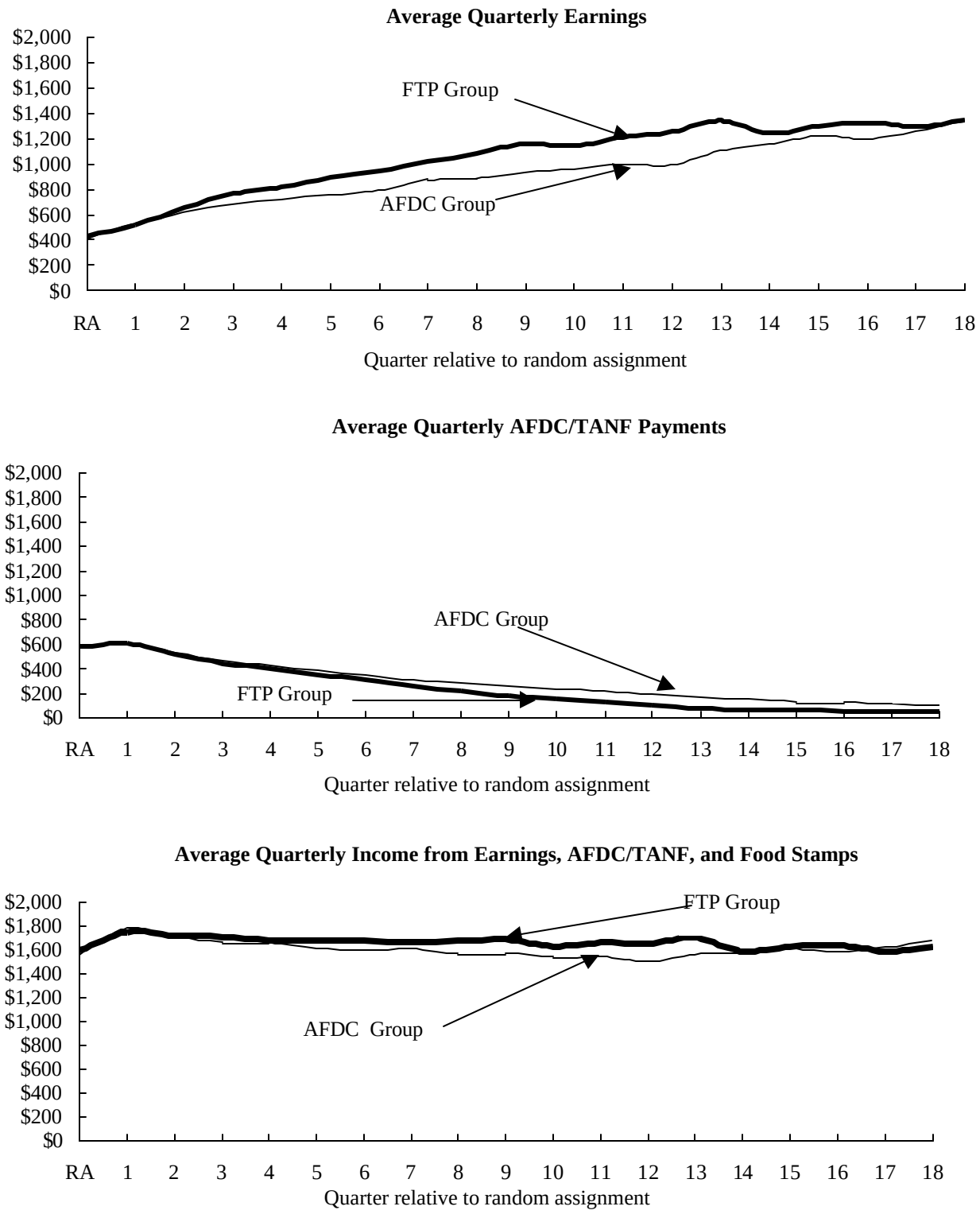
Figure 5 illustrates the impact trends in a different way, showing the average amount of earnings, AFDC/TANF, and Food Stamps for each research group in each year of the follow-up period — and, at the top of each bar, the sum of the three income sources. Figure 5 clearly shows

[13]Nonexperimental analysis using data from the FTP study support this hypothesis. See Jeffrey Grogger and Charles Michalopoulos, "Welfare Dynamics Under Time Limits," NBER Working Paper No. W7353, September 1999.

Figure 4

Florida's Family Transition Program

Quarterly Earnings, AFDC/TANF Payments, and Income



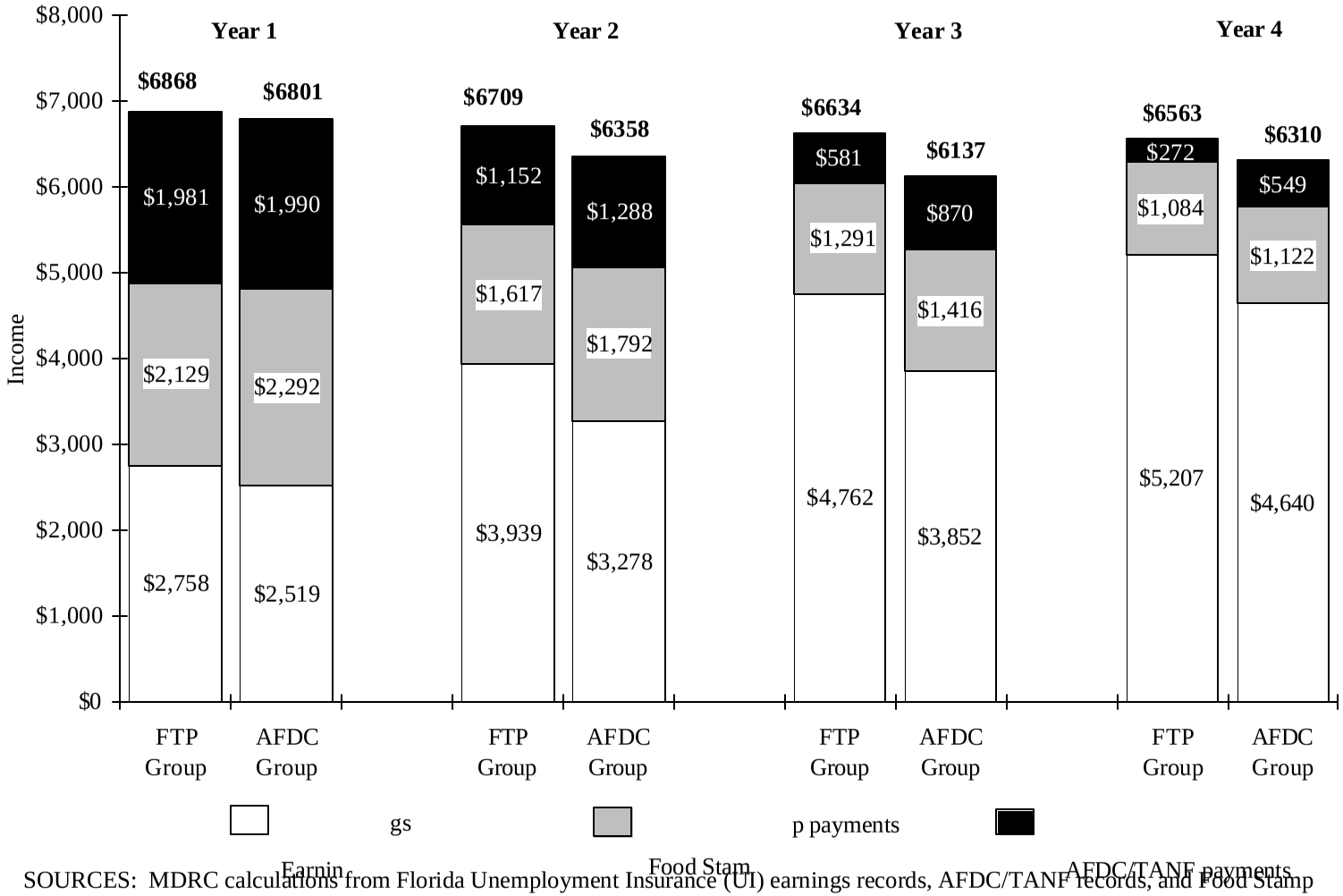
SOURCES: MDRC calculations from Florida Unemployment Insurance (UI), AFDC/TANF, and Food Stamp records.

NOTE: RA refers to the quarter in which random assignment occurred.

Figure 5

Florida's Family Transition Program

Composition of Income for FTP and AFDC Group Members, by Year



SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

that both research groups relied increasingly on earnings and less on public assistance over time. Nevertheless, particularly during years 2 and 3, the FTP group both had higher income overall and derived a larger proportion of income from earnings.

- **In the last few months of follow-up, the FTP group was less likely to receive welfare, but no more likely to work, and the two groups had about the same total income.**

Table 3 summarizes FTP's impacts in the last three months of the follow-up period.[14] The results follow directly from the impact trends discussed above. Only 14 percent of the AFDC group was still receiving cash assistance by this point, but the receipt rate was only 8 percent for the FTP group. Interestingly, the difference — about 6 percentage points — is much smaller than the percentage of the FTP group that reached the time limit (17 percent). This suggests that many of the people who had their benefits canceled at the time limit would have left welfare anyway by the end of the follow-up period.

The reduction in average AFDC/TANF payments was very large in percentage terms — 48 percent — but small in dollar terms: The FTP group received $45 less in cash assistance, on average, during the three-month period.[15] There was virtually no difference between the groups in average earnings, but the welfare reduction was so small that the two effects almost offset one another. As a result, combined income from AFDC/TANF, Food Stamps, and earnings was only slightly lower for the FTP group (the difference is not statistically significant). As noted earlier, the administrative records do not provide a full picture of household income.[16] Indeed, results from the four-year client survey, discussed below, show that household income for both groups was substantially higher than the amounts shown in Table 3. Nevertheless, the survey confirms that there was no difference between the groups even when income was measured more completely.

The income distribution results in Table 3 suggest that FTP made some families worse off financially during the final three months — it reduced the number of people in the $1,501 to $3,000 income bracket and increased the number in the lower bracket. This result may be related to the fact that FTP slightly reduced the number of nonworking people who received both cash assistance and Food Stamps and increased the number who received Food Stamps only — a pattern consistent with nonworking people's having their welfare grants canceled at the time limit.

- **Most of the employed people in both research groups worked full time or close to full time in jobs that paid low wages and offered few fringe benefits.**

[14]These results are for the second quarter of year 5, slightly beyond the period summarized in Table 2.

[15]All of the dollar amounts in the table are averages that include zero values for those who did not work or receive welfare during the period. FTP group members who received AFDC/TANF received $605 during the quarter, on average. Those who worked earned an average of $2,802.

[16]Table 3 shows that more than one-third of each group had no income from UI-covered earnings, cash assistance, or Food Stamps in the last three months of follow-up. Further analysis using survey data (not shown in the table) found that almost all of these sample members had income from other sources (for example, child support or non-UI earnings) and/or were living with other adults who had income.

Table 3

Florida's Family Transition Program

Summary of FTP's Impacts in the Last Three Months of the Follow-Up Period

Outcome	FTP Group	AFDC Group	Difference (Impact)		Percentage Change
Income amounts					
Average earnings ($)	1,345	1,328	16		1.2
Average AFDC/TANF payments ($)	49	94	-45	***	-48.1
Average Food Stamp payments ($)	228	251	-23		-9.1
Average total income from earnings, AFDC/TANF, and Food Stamps ($)[a]	1,622	1,674	-52		-3.1
Income brackets (%)					
$0	35.7	33.8	1.9		5.7
$1-$1,500	25.4	21.1	4.3	***	20.3
$1,501-$3,000	16.0	23.0	-7.0	***	-30.4
$3,001-$4,500	14.1	14.8	-0.7		-5.0
$4,501 or more	8.8	7.3	1.5		20.7
50% or more of income is derived from earnings (%)	44.0	45.0	-1.0		-2.1
Income sources					
Ever employed (%)	48.0	49.7	-1.7		-3.4
Ever received AFDC/TANF (%)	8.1	14.0	-6.0	***	-42.5
Ever received Food Stamps (%)	32.2	34.1	-1.9		-5.6
Earnings without AFDC/TANF or Food Stamps	31.1	31.1	0.1		0.2
Earnings with AFDC/TANF or Food Stamps	16.9	18.6	-1.7		-9.3
No earnings and					
AFDC/TANF and Food Stamps	5.3	8.4	-3.1	***	-37.2
Food Stamps only	10.5	7.5	2.9	***	38.6
AFDC/TANF only	0.5	0.5	0.0		-2.5
No AFDC/TANF or Food Stamps	35.7	33.8	1.9		5.7
Sample size	1,405	1,410			

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Five sample members were dropped from this analysis due to missing UI data.

[a]This is not a complete measure of household income. It does not include sample members' income from other sources (for example, child support, the Earned Income Credit) or income obtained by other household members. However, more detailed analyses of household income yielded largely the same conclusions about FTP's impacts.

Rounding may cause slight discrepancies in the calculation of sums and differences.

FTP had little or no impact on the kinds of jobs sample members held at the end of the study period. Table 4 shows the characteristics of the current or most recent job held by FTP group members who responded to the four-year survey. About 80 percent of the employed people reported working at least 30 hours per week; half were working 40 or more hours. Hourly wages were generally low: Around three-fourths of respondents earned less than $7.50 per hour, and the overall average was about $6.90 per hour. Overall, 54 percent were working 30 or more hours per week in a job that paid less than $7.50 per hour.

Less than half of the employed people were in jobs that offered health insurance, and only about one-fourth were actually covered by employer health insurance (most of those who did not enroll in their company's plan said it was too expensive or that they had not worked long enough to qualify for benefits).[17] About one-third of the employed people in each group worked in jobs that provided paid sick days, a critical benefit for working parents. Finally, about one-third worked at night or had an irregular shift — schedules that can make it difficult to arrange stable child care arrangements.

- **FTP had no impact on a range of measures of family structure and economic well-being although, on a few indicators, the FTP group's living conditions appeared to be slightly better at the four-year point; levels of material hardship were high for both groups.**

The four-year survey included information on household composition and income, family outcomes, and measures of economic well-being. As shown in Table 5, FTP slightly reduced the proportion of respondents who reported two or more housing problems (for example, roaches or broken windows) and four or more neighborhood problems (for example, drug users or pushers), and it increased the percentage who reported that, at the end of the month, they usually had enough money to make ends meet. In addition, FTP appears to have increased the percentage of families who received child support payments, an impact which could have been driven by programmatic efforts to enhance child support enforcement or by the need to replace welfare benefits lost at the time limit.[18]

At the same time, despite the modest income gains earlier in the follow-up period, FTP had no impact on overall material hardship, food security, health insurance coverage, vehicle ownership, or a range of other measures. FTP also did not affect fertility, marital status, or the composition of sample members' households (interestingly, more than half the respondents in each group reported that they were living with at least one other adult when interviewed). Finally, as noted earlier, the survey confirms that household income was virtually the same for the two groups at the end of the study period.

[17]Of those who were offered employer health insurance but did not enroll, about half reported that they were covered by Medicaid or some other insurance; the rest were uninsured.

[18]In part, the impact on child support receipt may have occurred because AFDC group members were more likely to be on welfare when interviewed, and thus less likely to be aware that child support was being collected on their behalf (child support collected for children on welfare is mostly retained by the state as reimbursement for welfare costs). However, the fact that FTP also increased the proportion of children who had been cared for by their noncustodial fathers (see below) lends some additional credibility to the child support impact.

Table 4

Florida's Family Transition Program

Selected Characteristics of the Current or Most Recent Job Held by FTP Group Members at the Four-Year Point

Characteristic	Outcome
Hourly wage (%)[a]	
Less than $6	42.6
$6-$7.49	31.3
$7.50-$8.99	9.6
$9 or more	16.6
Average hourly wage ($)	6.90
Hours per week (%)	
Less than 20	4.7
20-29	15.6
30-39	28.0
40 or more	51.7
Average hours per week	35.6
Works at least 30 hours per week in a job paying less than $7.50 per hour (%)	54.3
Job provides (%)	
Health insurance	46.1
Sick leave	34.9
Paid vacation	45.0
Respondent covered by employer health plan (%)	26.9
Work schedule (%)	
Day shift	68.5
Night shift	17.0
Irregular shift	15.0
Sample size	787

SOURCE: MDRC calculations from the four-year client survey data.

NOTES: The sample includes FTP group members who responded to the survey and who had ever worked since random assignment.

[a]Hourly wages are computed from other survey responses.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Table 5

Florida's Family Transition Program

Summary of FTP's Impacts on Household Composition, Income, and Economic Well-Being at the Four-Year Point

Measure	FTP Group	AFDC Group	Difference (Impact)	
Average number living in household	3.9	3.9	0.0	
Average number of children in household	2.1	2.2	0.0	
Respondent lives with at least one other adult (%)	46.6	46.6	0.0	
Respondent gave birth since random assignment (%)	23.9	22.7	1.2	
Respondent currently married and living with spouse (%)	17.2	19.1	-1.9	
Average household income in month prior to interview ($)	1,469	1,379	89	
Respondent received child support in prior month (%)	29.5	21.9	7.6	***
Respondent owns a car, van, or truck (%)	59.1	60.2	-1.1	
Respondent has no health insurance (%)	39.3	38.4	0.9	
Children have no health insurance (%)	16.9	15.7	1.2	
Two or more housing problems (%)[a]	14.1	18.4	-4.3	**
Four or more neighborhood problems (%)[b]	17.2	21.0	-3.8	*
Food insecure (%)[c]	34.1	35.8	-1.7	
Four or more material hardships (%)[d]	18.3	19.9	-1.7	
Two or more social services used (%)[e]	19.2	19.2	0.0	
Usually has enough money at the end of the month (%)	69.0	63.0	6.0	***
Sample size	860	869		

SOURCE: MDRC calculations from the four-year client survey data.

NOTES: A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]Housing problems include the following: leaky roof or ceiling; broken plumbing; broken windows; electrical problems; roaches/insects; heating system problems; and broken appliances.

[b]Neighborhood problems include the following: unemployment; drug users or pushers; crime, assault, or burglaries; run-down buildings and yards; and noise, odors, or heavy traffic.

[c]The USDA-recommended six-item food security scale was used to measure food security. The items in the scale include questions about food consumed and the kind of things people resort to when money allocated for food is exhausted. The scale ranges from 1-6, and two or more affirmatives indicate food insecurity, and five or more affirmatives are indicative of food insecurity with hunger. About one-sixth of each group was considered food insecure with hunger.

[d]Material hardships include the following (all over the prior year): could not pay full amount of rent or mortgage; evicted for not paying rent/mortgage; could not pay full amount of utility bills; electricity or gas turned off; telephone disconnected; unmet medical needs; and unmet dental needs.

[e]Social services include the following: rental assistance programs; utility assistance programs; prescription drug assistance programs; food banks; soup kitchens; and second-hand clothes.

Although FTP did not produce these conditions, the rates of material hardship were high for both groups: Nearly two-thirds of each group reported that they had experienced at least one serious material hardship in the past year — for example, being unable to pay their full rent or having their telephone disconnected.

- **The employment and earnings gains were concentrated among less disadvantaged sample members; conversely, FTP had little or no impact on employment or earnings for more disadvantaged groups.**

Often, overall results mask different patterns of impacts for particular subsets of people. Thus, the analysis examined FTP's impacts separately for a variety of subgroups defined by characteristics that are associated with long-term welfare receipt and barriers to employment (for example, sample members' employment and welfare histories before entering the study).

In general, these subgroup analyses found that FTP's effects on employment and earnings were concentrated among less disadvantaged subgroups. For example, Table 6 summarizes FTP's impacts for three subgroups: those most at risk of long-term welfare receipt (the right-hand column), those least at risk (the left-hand column), and those at medium risk (the middle column). Sample members were classified according to their employment and welfare history and other characteristics measured at the point they entered the study.

The top panel of the table, which displays results for the entire four-year follow-up period, shows that AFDC group members in the least at-risk subgroup had substantially higher earnings and substantially lower public assistance payments than their counterparts in the most at-risk group. Nevertheless, FTP increased earnings for the least at-risk subgroup by $4,221 (19 percent). In contrast, FTP generated no statistically significant earnings effects for the most at-risk subgroup. A similar pattern is evident in year 4, shown in the bottom panel.[19]

It is not clear why FTP was less effective at increasing employment and earnings for more disadvantaged participants. Most other studies of welfare-to-work programs have not found this pattern of results.[20] Further analysis (not shown) found that a large proportion of these participants were placed into adult basic education while in FTP, and the disappointing results could be related to that particular activity. In addition, perhaps because of the strong local economy, it appears that the most disadvantaged members of the AFDC group had higher employment rates than similar individuals in other programs studied by MDRC over the past 15 years. The relatively strong AFDC group outcomes may have made it more difficult for FTP to generate significant impacts on employment-related outcomes.

Table 6 also shows that while FTP reduced cash assistance payments for all three subgroups, these reductions were smallest for the least at-risk group. This is not surprising, because

[19]This pattern of subgroup results should be interpreted cautiously because the differences in earnings impacts between groups are not statistically significant.

[20]See Charles Michalopoulos and Christine Schwartz, *What Works Best for Whom: Impacts of 20 Welfare-to-Work Programs by Subgroup*, National Evaluation of Welfare-to-Work Strategies (Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education, Office of the Under Secretary and Office of Vocational and Adult Education, 2000).

Table 6

Florida's Family Transition Program

Summary of FTP's Impacts for Welfare Dependency Subgroups

Outcome	Least at Risk of Long-Term Dependence: FTP Group	AFDC Group	Differ-ence	Medium Risk of Long-Term Dependence: FTP Group	AFDC Group	Differ-ence	Most at Risk of Long-Term Dependence: FTP Group	AFDC Group	Differ-ence	Subgroup Differences
Entire follow-up period										
Average total earnings ($)	26,935	22,714	4,221 ***	13,888	11,867	2,021 **	12,048	10,571	1,477	
Average total AFDC/TANF payments ($)	1,726	2,216	-490 **	3,647	4,311	-664 ***	6,895	7,982	-1,087 ***	
Average total Food Stamp payments ($)	3,370	3,901	-531 **	5,626	6,175	-549 **	9,807	10,280	-473	
Average total income from earnings, AFDC/TANF, and Food Stamps ($)[a]	32,031	28,831	3,200 **	23,160	22,353	807	28,750	28,832	-82	
Year 4										
Average quarterly employment rate (%)	60.1	53.9	6.3 *	45.6	44.3	1.3	47.6	49.4	-1.7	
Average total earnings ($)	7,760	6,613	1,147 **	4,414	4,013	402	4,219	3,930	288	
Average quarterly AFDC/TANF receipt rate (%)	5.8	9.2	-3.4 **	12.1	20.2	-8.2 ***	17.7	33.0	-15.3 ***	***
Average total AFDC/TANF payments ($)	131	217	-87 **	254	503	-249 ***	451	969	-518 ***	***
Average Food Stamp receipt rate (%)	22.4	24.0	-1.5	37.8	39.4	-1.6	61.8	60.1	1.7	
Average total Food Stamp payments ($)	494	504	-11	926	1,032	-106	1,978	1,928	50	
Average total income from earnings, AFDC/TANF, and Food Stamps ($)[a]	8,384	7,334	1,050 *	5,595	5,548	47	6,648	6,828	-180	
Sample size	352	353		701	704		352	353		

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

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

The risk of long-term dependence index is based on prior quarter employment, total number of quarters employed prior to random assignment, whether a sample member received AFDC in the quarter prior to random assignment, total number of quarters of AFDC received prior to random assignment, the age of youngest child, and whether a sample member had a high school diploma or GED at baseline.

Rounding may cause slight discrepancies in the calculation of sums and differences.

"Most at risk" sample members are those whose risk score is in the top quartile of the distribution.

"Least at risk" sample members are those whose risk score is in the bottom quartile of the distribution.

"Medium risk" sample members are those sample members whose risk score falls in the interquartile range.

[a]This is not a complete measure of household income. It does not include sample members' income from other sources (for example, child support, the Earned Income Credit) or income obtained by other household members.

relatively few people in this group would have been heavily dependent on welfare even without FTP (as illustrated by the AFDC group outcomes). Conversely, the reductions in cash assistance were fairly large — $1,087 (14 percent) over the four years and $518 (53 percent) in year 4 alone — for the most at-risk group, which was most likely to reach the time limit.

The combined effect of the earnings and cash assistance results was that FTP substantially raised total income for the least at-risk group, both over the full period and in year 4 alone — their earnings gains far outweighed their losses in public assistance. In contrast, for the most at-risk group, the welfare reductions offset the small (statistically insignificant) earnings gains, resulting in no impact on total income.

Further analysis (not shown) found that, for a small subset of the most at-risk group facing particularly serious barriers to employment (long-term welfare recipients with no high school diploma and no recent work history), the FTP group had about $2,000 *less* combined income than the AFDC group over the four-year period. This subgroup experienced even smaller earnings gains, and larger welfare reductions, than the full most at-risk group shown in Table 6. This result should be interpreted with caution, however, because the income loss, while large in dollar terms, is not statistically significant. Also, there is little evidence that the loss translated into increases in material hardship or changes in household composition measured via the four-year client survey. It is possible that FTP group households within the subgroup had more income from sources not measured in the administrative records (data are not available to examine this issue).[21]

D. FTP's Impacts on Outcomes for Families and Children

The four-year client survey asked parents a small number of questions about recent child care arrangements, school outcomes, and delinquent behavior for each of their children. In addition, respondents who had at least one child between 5 and 12 years old at the time of the survey answered a set of detailed questions about child care use, father's involvement, parenting, school performance, and other outcomes for one "focal" child in that age range.[22] Key findings include:

- **FTP children spent more time in child care than their AFDC group peers, and they were more likely to have contact with their noncustodial fathers.**

Table 7 shows the current child care arrangements for all children under 5 years old at the point the four-year survey was administered, as well as for those between 5 and 12. The table shows that FTP increased the percentage of children in child care for both age groups (although not shown in the table, FTP did not increase child care among children over 12). The table also shows that most children were being cared for by relatives or other informal providers, rather than in child care centers or preschools. Among the children under age 5, FTP increased the al-

[21]The four-year client survey provides information on all sources of household income, but only for the month prior to the interview. For the most part, the income losses measured with administrative records occurred earlier in the follow-up period.

[22]The focal children were chosen before the survey was administered by identifying all single mothers who had a child between 1 and 8 years of age at the point of random assignment (these children were between 5 and 12 four years later). When a sample member had more than one child in the age range, one was chosen at random as the focal child.

Table 7

Florida's Family Transition Program

Child Care Arrangements by Child Age at the Four-Year Survey Interview

	Ages 0-4			Ages 5-12		
Outcome	FTP Group	AFDC Group	Difference (Impact)	FTP Group	AFDC Group	Difference (Impact)
Currently in child care	48.1	41.2	6.9 *	39.6	35.2	4.4 **
Relative care (%)	26.3	23.6	2.7	26.2	23.1	3.1 *
Nonrelative care (%)	9.0	6.5	2.5	5.3	5.2	0.0
Formal care (%) [a]	14.1	13.3	0.8	11.3	9.6	1.7
Hours in child care in a typical week						
Less than 20 (%)	7.7	9.3	-1.6	20.9	16.5	4.4 ***
20 or more (%)	39.2	31.7	7.5 **	17.8	18.2	-0.4
Sample size (total = 1,877)	331	325		1,125	1,176	

SOURCE: MDRC calculations from the four-year client survey.

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

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]Formal care includes center or group care, summer day care, and extended day programs.

ready sizable proportion who were in care more than 20 hours per week. A more detailed analysis of the 5- to 12-year-old focal children (not shown) found that the increase in child care was not accompanied by an increase in the number of children in unstable child care arrangements or in low-quality child care settings (as perceived by parents). Analyses of administrative data (also not shown) found that child care subsidies were more likely to be provided for children in the FTP group relative to those in the AFDC group, although there were no differences between the two groups by the fourth year of follow-up.

Although not shown in the table, FTP also increased the percentage of 5- to 12-year-old focal children who had been cared for by their noncustodial father in the past year. As noted earlier, it also increased financial contributions from noncustodial fathers. However, it is important to note that overall rates of father involvement were relatively low. For example, less than 30 percent of FTP group focal children with a living noncustodial father saw their father at least monthly, and more than 40 percent had not seen their father at all in the past year.

- **Overall, FTP had few effects across a range of measures of parenting and child well-being for 5- to 12-year-olds; there were a couple of negative impacts on school-related outcomes for adolescents, however.**

As shown in the top panel of Table 8, there were few significant differences between FTP and AFDC group focal children on school, behavior, and health measures, and those that were significant did not consistently favor one group or the other. Also, parents in the two groups did not differ on most measures of their emotional health or parenting behavior (not shown in the table).

In contrast to the results for 5- to 12-year-olds, FTP had a couple of negative impacts for adolescent children (ages 13 to 17): As shown in the bottom panel of Table 8, 41 percent of FTP group adolescents had been suspended from school at least once since random assignment (compared with 33 percent of AFDC group adolescents), and average school performance (as reported by parents) was somewhat lower for the FTP group. However, there were no differences between groups on a number of other measures of school performance and behavior.

- **Surprisingly, FTP generated some negative effects for children in the least disadvantaged families — the subgroup with the largest earnings impacts.**

Table 9 shows FTP's impacts on several school-related measures for school-age children in the three subgroups discussed earlier. As the table shows, FTP had negative effects on school achievement and increased school suspensions for children in the families who were least at risk of long-term welfare dependence. A more detailed analysis of the 5- to 12-year old focal children (based on a small sample) found that FTP parents in the least at-risk subgroup supervised their children less closely than did AFDC group parents, perhaps because they were more likely to be working near the end of the follow-up period and their children had worse outcomes on behavioral and school measures. Interestingly, unfavorable impacts were generally not found for the medium-risk group; this group experienced employment impacts earlier in the follow-up period, but these impacts faded during year 4.

Table 8

Florida's Family Transition Program

Summary of Impacts on Child Outcomes at the Four-Year Follow-Up for All Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Focal children ages 5-12				
School outcomes				
Average achievement[a]	4.1	4.0	0.1	2.5
Below average (%)	7.4	9.5	-2.1	-22.3
Since random assignment, child				
Ever in special education (%)	12.3	10.1	2.2	21.9
Ever suspended (%)	8.2	8.8	-0.6	-6.5
Behavior				
Behavioral Problems Index total score[b]	10.8	10.9	-0.1	-0.7
Positive Behavior Scale total score[c]	59.0	60.2	-1.2 *	-2.0
Health				
General health[d]	4.2	4.1	0.1 *	2.2
Sample size (total = 1,108)	543	565		
Adolescents ages 13-17				
School outcomes				
Average achievement[a]	3.7	3.9	-0.2 *	-4.0
Below average (%)	14.8	10.9	3.9	36.0
Since random assignment, child				
Ever in special education (%)	18.7	15.4	3.3	21.7
Ever suspended (%)	40.7	32.7	8.0 **	24.4
Behavior				
Child ever arrested (%)	9.6	9.2	0.4	4.1
Child ever had a baby (%)	2.8	3.3	-0.5	-16.1
Sample size (total = 741)	367	374		

SOURCE: MDRC calculations from the four-year client survey.

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

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]Mothers were asked to rate their child's overall perfomance in school from 1 (doing "not well at all") to 5 (doing "very well").

[b]Mothers responded to 28 items designed to assess problem behavior of the focal child, including items such as "My child is disobedient at home" and "My child is too fearful or anxious." Responses varied from 0 ("not true") to 2 ("often true"). A score was created by summing responses to all 28 items.

[c]Mothers were asked a series of questions designed to measure positive aspects of the focal child's behavior. This seven-item scale includes items such as "My child is helpful and cooperative" and "My child is warm and loving," and responses ranged from 0 ("not at all like my child") to 10 ("completely like my child"). A total score was created as the sum of responses to the seven items.

[d]Mothers rated their children's health on a 5-point scale ranging from "poor" to "very good."

Table 9

Florida's Family Transition Program

Summary of School Impacts at the Four-Year Follow-Up for All Children Ages 5-17, by Welfare Dependency Subgroups

	Least at Risk of Long-Term Dependence			Medium Risk of Long-Term Dependence			Most at Risk of Long-Term Dependence			
Outcome	FTP Group	AFDC Group	Difference (Impact)	FTP Group	AFDC Group	Difference (Impact)	FTP Group	AFDC Group	Difference (Impact)	Subgroup Differences
Average achievement[a]	3.9	4.2	-0.3 ***	4.0	4.0	0.1	3.8	3.8	0.1	***
Below average (%)	13.7	7.3	6.4 **	8.9	8.7	0.3	10.1	13.1	-3.0	**
Since random assignment, child Ever in special education (%)	15.3	13.1	2.2	12.8	9.9	2.9	13.9	14.5	-0.5	
Sample size (total= 3,042)	*276*	*293*		*693*	*690*		*523*	*567*		
Ever suspended (ages 10 and older) (%)	34.3	22.0	12.3 **	27.3	28.2	-0.9	27.7	26.7	1.0	*
Ever expelled (ages 10 and older) (%)	5.1	2.1	3.0	5.7	2.5	3.2 **	1.8	3.8	-2.1	**
Sample size (tota l= 1,425)	*167*	*177*		*315*	*313*		*218*	*235*		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 5-17 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. Standard errors were adjusted to account for shared variance between siblings.

A two-tailed t-test was applied to regression-adjusted impact estimates.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

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

See Table 6 for a description of the risk subgroups.

[a] Mothers were asked to rate their child's overall perfomance in school from 1 (doing "not well at all") to 5 (doing "very well").

Rounding may cause slight discrepancies in the calculation of sums and differences.

Notably, FTP had little or no impact on children in the most disadvantaged families, whether defined as those at highest risk of long-term dependence (shown in the table) or the subset of that group facing multiple barriers to employment (not shown).

E. After the Time Limit

MDRC used a variety of data sources to examine the post-welfare experiences of the 237 report sample members who reached the time limit: All were tracked using administrative records, and some responded to the four-year survey. In addition, as part of a special study, 54 were interviewed in depth around the time their benefits expired and then 6, 12, and 18 months later. These interviews provide rich descriptive information but cannot be used to assess the *impact* of the time limit because there is no way to know for sure what would have happened to these 237 people had they been allowed to remain on welfare.[23]

- **The post-welfare experiences of families whose grants were canceled varied considerably; most struggled financially, but did not appear to be worse off than many other families who left welfare for other reasons.**

According to administrative records, just over 40 percent of those who were terminated from welfare worked in all four quarters of the subsequent year (these results are not shown in a table). On the other hand, 36 percent worked in none or only one of the quarters. The overall employment rate for the individuals who reached the time limit was about the same in the year after the time limit as it was in the year before. However, average earnings were substantially higher after the time limit, suggesting that some of these individuals worked more often after their benefits were cut off.

The in-depth interviews found that most of those who worked sporadically or not at all in the post-time-limit period relied heavily on a parent, partner, or spouse. Many lived in homes belonging to family members and paid little or no rent (in many cases, these living arrangements began long before the family reached the time limit) or in public or subsidized housing, where their rent was pegged to their income. The vast majority received Food Stamps. Several respondents chose not to work because they wanted to care for their children or continue their education. A few wanted to work but could not find (or hold) jobs; they were surviving on a limited and precarious mix of Food Stamps, housing assistance, and irregular income sources.

Overall, instances of extreme material hardship such as homelessness and hunger were quite rare, but almost all the families struggled financially (as they had before reaching the time limit). Interestingly, levels of material hardship were not strongly correlated with employment status. In fact, on some measures, the working families — who tended to receive less support from family members and from public assistance — appeared to be experiencing greater levels of hardship than the nonworking families. But it is impossible to trace the direction of causality: Were the nonworking people not working because they couldn't work or because they had other supports that allowed them not to work? And,

[23]In general, the AFDC group provides a benchmark for assessing outcomes for the FTP group, but it is difficult to determine which subset of the AFDC group would serve as the most appropriate benchmark for assessing the experiences of the FTP participants who reached the time limit.

conversely, were the working families working because they had fewer other supports, or did they need less help because they were working?

Finally, responses to the four-year client survey indicate that the families whose grants were terminated at the time limit did not appear to be experiencing greater levels of material hardship than other FTP (or AFDC) families who left welfare for other reasons. A key question is whether this will continue to be the case over time, because the terminated families have lost access to the cash assistance safety net.

F. Financial Costs and Benefits of FTP

- **Owing to its enhanced services and supports, FTP cost about three times as much, per person, as traditional AFDC combined with Project Independence.**

As a relatively small pilot program, designed at a point when welfare time limits were not widely accepted, FTP was quite generously funded. Florida approached time limits cautiously, embedding the limit in a program that was very heavily staffed and that offered an unusually rich array of services and supports. Not surprisingly, costs were high: FTP's five-year net cost — the per person cost of FTP above and beyond what would have been spent under AFDC and Project Independence — was nearly $8,000 per person, a figure at the high end of programs evaluated by MDRC (the gross costs of FTP and AFDC/PI were about $12,500 and $4,500 per person, respectively).

About 40 percent of the increased cost was attributable to FTP's enhanced employment-related services — the services themselves (and the associated staffing) were more expensive than traditional PI services, and, as noted earlier, the rates and levels of participation in these services were much higher under FTP. The higher levels of participation in these activities, along with higher rates of employment and more generous funding in FTP, also generated much higher costs for child care, transportation, and other support services; these accounted for another 30 percent of FTP's net cost. The remaining component of the net cost was mostly attributable to the very small caseloads of FTP case managers.

- **From the government budget perspective, the public assistance savings generated by FTP were not large enough to offset its costs; FTP participants, however, experienced a small financial gain, on average.**

As noted earlier, FTP's ability to generate budgetary savings by reducing cash assistance receipt was limited by the fact that the AFDC group left welfare so rapidly. Thus, savings for taxpayers did not come close to offsetting the program's net costs, although saving money was never emphasized as a key program goal. In addition, there is no way to know whether the program would have achieved its impacts on earnings or other outcomes if staffing and service levels had been lower.

As might be expected given the income data reported earlier, FTP participants benefited financially: Projected over a five-year period, their higher earnings (supplemented by the federal Earned Income Credit) outweighed their income losses (lower public assistance benefits, higher payroll taxes, etc.) by a little over $1,500 per person, on average.

III. Policy Implications

The FTP evaluation provides some of the first information on the implementation and impacts of a welfare reform strategy that included a time limit on benefit receipt. Judged against its own goals — which focused heavily on reducing dependency — FTP was relatively successful. It substantially reduced long-term welfare receipt and, at least during the study period, did not produce the very harmful impacts some people had predicted. Unlike some other welfare-to-work models, FTP did not save money for taxpayers, but that was not an explicit goal; in part, the state used the relatively small pilot to learn more about what level of resources would be needed for a program of this type. Similarly, FTP's impacts on family income and other measures of economic well-being were both smaller and less sustained than those generated by other models that were explicitly designed *both* to raise earnings and to reduce poverty.[24]

The results provide some lessons on other issues relevant to the current environment:

The impact of benefit termination. Because FTP was the first program in which families were cut off welfare at a time limit, the evaluation provides one of the first opportunities to examine a central question raised by the welfare reforms of the 1990s: How will families fare after they are terminated from cash assistance?[25]

Unfortunately, in turns out that this question is extraordinarily difficult to answer in a rigorous way. It is fairly clear that the most extreme claims of both advocates and critics of time limits have not come to pass in Escambia County. MDRC's in-depth examination of the terminated families over an 18-month period uncovered few dramatic success stories, but equally few instances of extreme deprivation. Of course, the situation may change — for better of worse — over a longer follow-up period.[26]

But were the families better off or worse off? From a simple before-and-after perspective, they obviously lost income when their welfare checks were canceled. It appears that some of them had managed to replace the lost income 18 months later, while others had not (although their situations were extremely fluid).

But the real question is: Are the terminated families better off or worse off *than they would have been had FTP not existed?* Here, the answer is much more complicated. For example, it is clear that some of the terminated families were initially *better off* than they would have been because they went to work before reaching the time limit and FTP's enhanced earnings disregard allowed them to supplement their earnings with a partial welfare grant. When they were cut off, they were brought back to where they would have been without the disregard (although without the option of returning to welfare later). In addition, the impact results show that many of those who were terminated at the time limit would have left welfare anyway shortly thereafter. In contrast, other FTP participants were terminated

[24]See, for example, Cynthia Miller et al., *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*, Vol. 1, *Effects on Adults* (New York: MDRC, 2000).

[25]Of course, some of the individuals who were affected by the time limit never reached it; they were motivated to find jobs and leave welfare before accumulating 24 or 36 months of receipt.

[26]It is difficult to predict what might happen: Owing to the design of FTP's time limit, the terminated families will eventually be allowed to return to welfare.

without jobs and would have remained on welfare had it not been for FTP; it seems likely that these families were made worse off financially, although perhaps not dramatically so because of Florida's low grant levels.

In any case, in drawing conclusions from these results, it is critical to reiterate that FTP did not terminate all families who received 24 or 36 months of benefits. The program cut off nearly all of those who actually reached the time limit, but a significant number of participants were granted exemptions that stopped their time-limit clocks (or they were exempted before their clock started); in a few other cases, the children's portion of the grant was retained. These families might have experienced more serious problems had their grants been closed. Similarly, as noted earlier, the consequences might have been quite different in a larger city, a weaker labor market, or a state with higher benefit levels.

Earnings disregards and time limits. Like Florida, most states have chosen to impose time limits and simultaneously expand earnings disregards (although the enhanced disregard was not a main focus of FTP). Studies have shown that earnings disregards, when combined with employment-related mandates, can raise employment and income, and FTP's disregard is at least partly responsible for the income gains generated by the program. Nevertheless, the enhanced disregard also caused some families to use up their months of benefits faster than they otherwise would have. Moreover, combining these policies complicates the program message: It is difficult to urge recipients both to leave welfare quickly in order to "bank" their available months and to take advantage of a disregard by combining work and welfare.

One way to make the message more consistent is to stop the time-limit clock for recipients who are working and receiving welfare. Illinois, Rhode Island, and a handful of other states have done this. In effect, their time limits apply to welfare *without work*. This strategy implicitly assumes that some families should receive longer-term income supplementation, given the prevalence of low-wage jobs.

Implementing time limits. One of the critical questions in implementing time limits is how to decide which families should qualify for safeguards such as exemptions or extensions. FTP chose not to create explicit definitions of key terms such as "compliant" but implemented a detailed, multistage review of each case. The impact results suggest that this process succeeded in identifying and protecting (via exemptions or partial terminations) some of the participants facing very serious problems. But FTP's labor-intensive process might not be replicable in a larger program, and, without such a process, the lack of explicit guidelines might make it difficult to ensure that all recipients receive equal treatment.

Effects on children. FTP had few impacts on child well-being overall, but the impacts that occurred were somewhat unexpected. Many observers have warned that pushing single mothers into the labor force might produce negative impacts on young children, who would be forced to spend more time in low-quality child care arrangements. Although FTP increased the amount of time children spent in child care, it did not appear to increase time in unsafe or unstimulating care. There were also no impacts on school-related outcomes for children who were 1 to 8 when their parents entered the program. On the other hand, FTP *adolescents* appear to have performed somewhat *worse* than their AFDC group counterparts on selected measures. This result is consistent with another recent study, suggesting

that increases in maternal employment may have negative consequences for certain groups of older children.[27]

Similarly, some predicted that children in the most disadvantaged families were most at risk of harm. In fact, FTP's negative impacts for children were concentrated among the least disadvantaged families, the group least likely to be directly affected by the time limit (but with the largest earnings gains). Of course, the pattern might have been different for the most disadvantaged if the time limit had been implemented in a different way (for example, if no exemptions had been granted).

Supports for working families. Four years after enrollment, most FTP families were still struggling. Most were working, but few had moved out of poverty. A large fraction had no health insurance, and food insecurity and other material hardships were prevalent. These outcomes were not caused by FTP — on average, the program had little or no impact in any of these areas. In addition, given Florida's low grant levels, most of these families were probably better off financially than a family surviving on only cash assistance and Food Stamps. Nevertheless, the outcome levels for both groups highlight the importance of additional supports for low-income working families, particularly if such families will be expected to stay off welfare for long periods.

[27]Pamela Morris and Charles Michalopoulos, *The Self-Sufficiency Project at 36 Months: Effects on Children of a Program That Increased Parental Employment and Income* (Ottawa: Social Research and Demonstration Corporation, 2000).

Chapter 1

Introduction

The Family Transition Program (FTP) was a welfare reform pilot project that operated from 1994 to 1999 in Escambia County, Florida — a mid-sized county that includes the City of Pensacola.[1] FTP was one of the first welfare reform initiatives to impose a time limit on the receipt of cash assistance — 24 months in any 60-month period for most recipients and 36 months in any 72-month period for the least job-ready — and was the first program in the nation in which families reached a time limit and had their welfare benefits canceled. In addition to its time limit, FTP included an unusually rich array of services, mandates, and financial work incentives designed to help welfare recipients prepare for, find, and hold jobs.

FTP was implemented more than two years before the passage of the 1996 federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, P.L. 104-193), and it anticipated key elements of the federal law. FTP also served as a model for Florida's statewide welfare reform program, implemented in 1996.[2] Thus, FTP provides important lessons on the implementation and potential effects of more recent welfare reform initiatives in Florida and elsewhere in the United States.

In 1994, the Florida Department of Children and Families (formerly the Department of Health and Rehabilitative Services) — the agency that administered FTP — contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct a multifaceted six-year evaluation of the program's effectiveness. MDRC is a nonprofit, nonpartisan organization with a quarter century's experience designing and evaluating social policy initiatives.

This is the fifth and final report in the FTP evaluation. The first report, completed in 1995, described FTP's early implementation.[3] Three subsequent reports updated the implementation story; provided evidence on how FTP was affecting patterns of employment, earnings, and welfare receipt; described the process that occurred when participants reached FTP's time limit; and provided early data on how families were faring after reaching the time limit.[4]

In order to assess what difference FTP has made, the evaluation is comparing the experiences of two groups of people: the *FTP group*, whose members were subject to the program, and the *Aid to Families with Dependent Children (AFDC) group*, whose members were subject to the prior welfare rules. More than five thousand welfare applicants and recipients were assigned to one or the other group through a random process, ensuring that there were no systematic differences between the groups

[1]A second county, Alachua, also began implementing FTP in 1994. That program, a voluntary version of FTP, was phased out beginning in 1996. Several other counties also briefly implemented FTP in 1996.

[2]Florida implemented the statewide Work and Gain Economic Self-Sufficiency (WAGES) program in October 1996. In 2000, WAGES was merged with the state's workforce development system.

[3]Bloom, 1995.

[4]Bloom, Farrell, Kemple, and Verma, 1999; Bloom, Farrell, Kemple, and Verma, 1998; Bloom, Kemple, and Rogers-Dillon, 1997.

when people entered the study. Thus, any differences that emerged between the groups over time can reliably be attributed to FTP; these are known as the program's *impacts*.

This report summarizes the earlier findings and provides new information in each study area. It follows eligible families for at least four years after they entered the study, well beyond the point when recipients began reaching the time limit, and uses data from a large-scale survey to assess, for the first time, FTP's impacts on key outcomes such as food security and the well-being of participants' children. In addition, the report provides new information from in-depth, post-welfare interviews with FTP participants whose benefits were canceled at the time limit. Finally, the report describes the results of a benefit-cost analysis, which compares FTP's financial benefits and costs for participants and government budgets.

This introductory chapter describes FTP and the evaluation, discusses the context in which FTP operated, and lays out the content of the rest of the report.

I. The Family Transition Program and Its Policy Significance

The Family Transition Program was created by the Family Transition Act, passed by the Florida legislature in April 1993. The program began operating in February 1994 under waivers of federal welfare rules. (These waivers were no longer needed after 1996 because FTP's provisions were permitted under the 1996 federal welfare law.)

The roots of FTP can be traced to a report issued by the Study Commission on Employment Opportunities and Self-Sufficiency, which was created by the Florida legislature in 1992 to develop recommendations for reducing welfare dependency. The state's AFDC caseload had more than doubled in the prior three years.

FTP directly attacked long-term welfare dependency by imposing a time limit on benefit receipt. At the same time, however, the program recognized that many recipients were not currently equipped to support their families without assistance. Thus, the program's designers envisioned a "pact" or "covenant" between participants and the program "under which enhanced benefits and services are provided in exchange for increased participant responsibility." The program was intended to demonstrate a new model of individualized, intensive service delivery. In addition, a variety of safeguards were designed to protect families who made a good-faith effort to find jobs before reaching the time limit, but were unable to do so.

This combination of features was designed not only to reduce dependence but also to make participants better off, both financially and emotionally (for example, by improving their "self-worth"). Although the program was nominally designed to save money for taxpayers, this goal was not strongly emphasized. In fact, as a relatively small program piloting a radical — and potentially harmful — new approach to welfare, FTP was given virtually unlimited funding to ensure that participants had all the services and supports they needed to find jobs or other income sources to replace welfare.

A. The Key Elements of FTP

The key components of FTP are described below and in Table 1.1. Chapter 2 discusses how each of these features was implemented in practice.

Table 1.1

Florida's Family Transition Program

The Key Differences Between FTP and AFDC

Characteristic	FTP Policy	AFDC Policy
Time limit on cash assistance receipt	24 months in any 60-month period for most recipients; 36 months in any 72-month period for the least job-ready. Exceptions under certain circumstances.	None
Amount of earned income disregarded in calculating monthly cash assistance grants	The first $200, plus 50% of any remaining earnings.	First 4 months of work: $120 plus 33% of earnings; Months 5-12: $120 disregarded; After month 12: $90 disregarded.
Asset limit for cash assistance eligibility	$5,000	$1,000
Value of vehicle excluded in counting assets for cash assistance eligibility	$8,150	$1,500
Child care assistance for families leaving welfare for work	Two years of transitional child care assistance; eligibility beyond that point depends on eligibility for other programs.	One year of transitional child care assistance; eligibility beyond that point depends on eligibility for other programs.
Exemptions from employment-related mandates for recipients with young children	Parent exempt if caring for a child under 6 months old.	Parent exempt if caring for a child under 3 years old.
Parental responsibility mandates	Parents must ensure that children attend school regularly, and must speak with teachers at least once each grading period. Applicants with preschool children must prove that children have begun immunizations.	None
Employment-related, social, and health services	Participants received intensive case management and a range of social and health services; enhanced employment-related services.	Participants were served by the pre-existing Project Independence welfare-to-work program.

- **Time limit.** Under FTP, most recipients were limited to 24 months of cash assistance receipt in any 60-month period.[5] Certain groups of particularly disadvantaged recipients were limited to 36 months of receipt in any 72-month period (the time limit did not directly affect eligibility for other programs, such as Food Stamps or Medicaid). Certain groups were exempt from the time limit, and, in addition, the program policies included a variety of safeguards that could, in theory, lead to temporary benefit extensions for families reaching the time limit, partial (rather than full) benefit termination, or post-time limit subsidized jobs (these are discussed further in Chapter 2). The AFDC group was not subject to a time limit (beyond the one that always existed — a parent must leave welfare when her[6] youngest child "ages out" and is no longer considered a dependent).

- **Financial work incentives.** Under AFDC, recipients who found jobs had their grants reduced by $1 for each dollar they earned.[7] Many believed that this rule created a disincentive to work. Under FTP, the first $200 plus one-half of any remaining earnings were disregarded (that is, not counted) in calculating a family's monthly grant. Known as an earned income disregard, this type of policy allows a greater proportion of working families to retain at least a partial welfare grant to supplement their earnings. Figure 1.1 and Table 1.2 give examples of how FTP's earned income disregard affected working recipients. Although FTP's disregard was fairly generous, its ability to raise recipients' income was limited by Florida's relatively low welfare benefit levels (a maximum payment of $303 for a family of three). In addition to the enhanced disregard, FTP allowed families to accumulate more assets and to own more valuable automobiles (relative to traditional AFDC rules) without losing eligibility for cash assistance. Finally, FTP participants received subsidized transitional child care for two years after leaving welfare for work, as opposed to the one year provided under prior rules.[8]

- **Enhanced services and requirements.** FTP aimed to provide a rich array of services to help participants prepare for and find employment. Most notably, FTP participants received intensive case management provided by workers

[5]The term "cash assistance" in this report refers to the benefits previously provided under AFDC and currently provided under Temporary Assistance for Needy Families (TANF). The term does not refer to other public assistance programs, such as Supplemental Security Income (SSI), that also provide cash benefits.

[6]This report uses feminine pronouns because the overwhelming majority of the sample members are women.

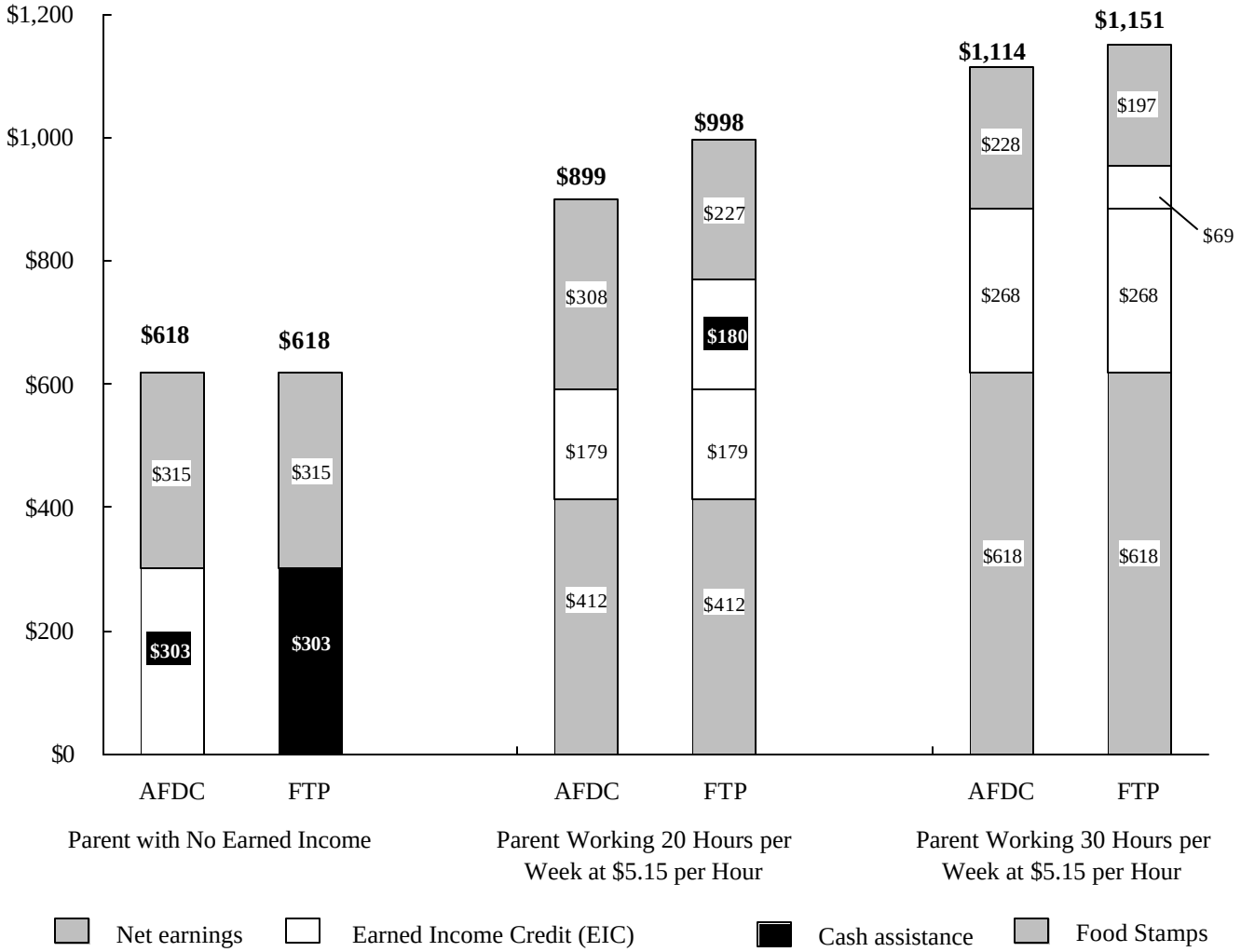
[7]AFDC rules and policies were in place in Escambia County prior to the implementation of FTP. These rules also applied in the rest of the state (except for the other FTP pilot counties) until the implementation of WAGES in October 1996. The rules also applied to the AFDC group for the FTP evaluation until late 1999, when the demonstration ended.

[8]Under the Family Support Act of 1988, states were required to provide transitional child care assistance and transitional Medicaid coverage for one year to certain recipients who lost eligibility for assistance due to earned income. FTP extended transitional child care for a second year and also broadened eligibility to include people who withdrew from welfare voluntarily after finding jobs (even if their earnings did not make them ineligible for assistance). PRWORA ended the transitional child care requirement, although states may choose to continue this policy.

Figure 1.1

Florida's Family Transition Program

Monthly Income at Selected Levels of Employment for a Single Parent with Two Children Under FTP and AFDC Rules



SOURCES: U.S. House of Representatives, Committee on Ways and Means, 1996; Family Transition Program policy manual.

NOTES: The calculations use rules that were in effect in 1997, roughly midway through FTP's implementation period. Monthly net earnings are based on the parent's income from employment minus any applicable payroll taxes (federal Medicare and Social Security deductions). Florida does not have a state income tax.

The Earned Income Credit (EIC) amount reflects 1/12 of the total annual credit, although most families receive the credit in an annual lump sum.

The AFDC grant calculation disregards $120 of gross earnings, in accordance with AFDC rules for the fifth to twelfth month of employment. The FTP grant calculation disregards $200 of gross earnings and half of the remainder. Both calculations assume no unreimbursed child care costs or child support collections.

The Food Stamp calculation disregards 70 percent of net income. Net income includes the AFDC grant but excludes 20 percent of gross earnings, a $134 standard deduction, and up to $250 of excess shelter expenses. This calculation assumes a monthly rental expense of $310.

Table 1.2

Florida's Family Transition Program

Examples of Monthly AFDC/TANF Grant Amounts at Selected Levels of Earnings for a Single Parent with Two Children (Maximum Grant = $303)

		Employed at $5.15/Hour				Employed at $6/Hour			
Income Component ($)	Not Employed	10 Hours/ Week	20 Hours/ Week	30 Hours/ Week	40 Hours/ Week	10 Hours/ Week	20 Hours/ Week	30 Hours/ Week	40 Hours/ Week
Grant under FTP policy									
Earnings	0	223	446	669	892	260	520	779	1,039
Countable earnings	0	12	123	235	346	30	160	290	420
Grant amount	**303**	**292**	**180**	**69**	**0**	**273**	**143**	**14**	**0**
Grant under AFDC policy (months 1-4 of employment)									
Earnings	0	223	446	669	892	260	520	779	1,039
Countable earnings	0	69	217	366	515	93	267	439	613
Grant amount	**303**	**234**	**86**	**0**	**0**	**210**	**36**	**0**	**0**
Grant under AFDC policy (months 5-12 of employment)									
Earnings	0	223	446	669	892	260	520	779	1,039
Countable earnings	0	103	326	549	772	140	400	659	919
Grant amount	**303**	**200**	**0**	**0**	**0**	**163**	**0**	**0**	**0**

SOURCES: MDRC calculations based on FTP and AFDC eligibility rules.

with very small caseloads. FTP participants were also more likely than AFDC group members to be required to participate in employment-related activities, and the program developed some enhanced education, training, and job placement assistance services.[9] Finally, FTP sought to increase participants' access to a range of other benefits, including social and health services, child care, transportation, and other support services. In addition to increasing funding for such services, FTP brought many of them under one roof in the program offices (known as service centers) to make them more accessible.

- **Parental responsibility mandates.** Under FTP rules, parents with school-age children were required to ensure that their children were attending school regularly and to speak with their children's teachers at least once each grading period. New applicants for welfare with preschool children were required to provide proof that their children had begun to receive the standard series of immunizations. None of these mandates existed for the AFDC group. Parents who failed to meet these requirements — as well as those who did not comply with the employment and training participation mandates described above — faced sanctions (that is, their grants could be canceled or reduced).[10]

FTP's enhanced services and incentives involved a substantial upfront investment. The program's designers hoped that this initial investment would be recouped when recipients moved off welfare and into jobs, although, as noted earlier, budgetary savings were not a central program goal.

B. FTP's Policy Significance

The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) made major changes in the structure and funding of programs targeted to low-income families and individuals. There were particularly dramatic changes in AFDC, formerly the primary cash assistance program for needy families with children, which was replaced by the Temporary Assistance for Needy Families (TANF) block grant. TANF gives states broad flexibility to design welfare programs, but it also restricts states from using federal block grant funds for several groups, including most families who receive assistance for more than 60 cumulative months. States are permitted to exempt up to 20 percent of the caseload from this federal time-limit provision but may also impose time limits of less than 60 months.

Although PRWORA fundamentally changed the structure and funding of cash assistance for needy families, many of the specific policies that the law encourages states to adopt were already being implemented under waivers of federal AFDC rules that had been granted to 43 states prior to the bill's

[9]Under AFDC rules, recipients with a child under age 3 were not required to participate in Project Independence, Florida's welfare-to-work program. Under FTP, this exemption was narrowed to recipients with a child under 6 months old.

[10]Until June 1997, sanctions for both the FTP and AFDC groups involved reducing the welfare grant. Beginning in that month, both groups became subject to "full family sanctions" that eliminate the entire grant, at least temporarily, in response to noncompliance.

passage. For example, more than 30 states had received waivers to implement some form of time limit on welfare receipt in at least part of the state.[11]

FTP was one of the most significant initiatives implemented under waivers because it was one of the first to include a time limit. Time limits have been among the most controversial features of state and federal welfare reform efforts in the 1990s. Proponents argue that time limits are necessary to send a firm message to recipients (and the system) that welfare should be temporary; they maintain that the limits will motivate recipients to find jobs or other means of support for their families. Critics contend that many recipients face serious personal problems or skills deficits that make it difficult for them to support their families for long periods without assistance; thus, they argue, time limits will cause harm to many vulnerable families.

Although time limits have been in place in a few areas for as much as six years, there are still relatively few data available to inform this debate. A key reason for the dearth of evidence is that relatively few families nationwide have reached a time limit. Overall, 25 states (including the District of Columbia) have imposed a 60-month time limit, and no families have reached those limits yet.[12] Another nine states — including several of the largest — have not imposed time limits that result in cancellation of families' welfare grants (most of those states have imposed so-called "reduction" time limits, which eliminate the adult portion of the welfare grant but maintain benefits for the children).[13] Together, these two groups of states account for about three-fourths of the national welfare caseload.

On the other side of spectrum, 17 states — accounting for about one-fourth of the national caseload — have imposed time limits that could result in cancellation of a family's grant after less than 60 months of receipt. Six of these states (Florida is by far the largest) have imposed *lifetime* time limits of less than 60 months.[14]

Even among these states, however, the specific rules and their implementation vary tremendously. For example, in several of the states, a large proportion of the welfare caseload is exempt from the time limit. Other states have granted extensions to many of the families who have reached the time limits. As a result, there are fewer than 10 states in which a substantial number of families have had their benefits canceled at a time limit. A few of these states (for example, Connecticut, Florida, Massachusetts, North Carolina, South Carolina, and Virginia) are conducting follow-up surveys or other research on the families whose cases were closed at the time limit, and an even smaller number are sponsoring

[11]U.S. Department of Health and Human Services, 1997.

[12]All data on state time-limit policies were obtained from the State Policy Documentation Project, administered by the Center on Budget and Policy Priorities and the Center for Law and Social Policy.

[13]Seven of the states with no termination time limit have reduction time limits (Arizona, California, Indiana, Maine, Maryland, Rhode Island, and Texas). Some of these states have pre-TANF waivers in place that supersede the federal time limit rules (until the waivers expire). Michigan and Vermont have no time limit.

[14]The time limits of less than 60 months that are not lifetime limits are "fixed period" time limits that limit families to a certain number of months of benefits in a longer calendar period — for example, 24 months in any 60-month period. In 1996, Florida imposed, statewide, both fixed period time limits that resemble FTP's (24 months in any 60-month period for some recipients and 36 months in any 72-month period for others) *and* a lifetime time limit of 48 months. FTP included no lifetime time limit. The other five states with lifetime time limits of less than 60 months are Connecticut (21 months), Arkansas (24 months), Idaho (24 months), Utah (36 months), and Georgia (48 months).

random assignment evaluations such as the one described in this report. In short, it is clear that the FTP evaluation is one of only a few sources of reliable evidence on the implementation and impacts of one the most important recent changes in welfare policy (although FTP does not provide evidence on the impact of a *lifetime* time limit).

In assessing the broader relevance of the FTP results, however, it is important to consider the context in which the program was implemented. As discussed further below, FTP operated far from any large city, in a healthy economic climate, during a period when Florida's overall welfare caseload declined precipitously. In addition, because the program operated in a state that pays relatively low cash assistance grants, families whose grants were canceled at the time limit lost a smaller amount of money than they would in many other states. Finally, as a relatively small pilot, implemented before time limits were widely accepted, FTP was generously funded to provide a rich set of services and supports for participants.

On the one hand, these factors suggest that FTP was implemented in quite favorable circumstances and that its results might thus be considered a "best case scenario" for time-limited welfare. On the other hand, the later discussion will show that, in large part because of these same circumstances, members of the AFDC group were quite likely to find jobs and leave welfare without FTP, leaving little room for the program to generate large impacts on many key outcomes. Ironically, if the context had been less favorable — for example, if jobs had been less plentiful — there might have been a greater likelihood that families would be harmed by FTP's time limit, but also a greater opportunity for the program to make a difference.

II. The FTP Evaluation

The FTP evaluation, which began in early 1994, was initially required as a condition of the federal waivers that allowed Florida to implement the program. The state elected to complete the evaluation even though it was not required to do so under the 1996 federal welfare law. In 1997, Florida was awarded enhanced funding by the U.S. Department of Health and Human Services (DHHS) to support continuation of the study. A second DHHS grant supported an expansion of the study to examine FTP's impacts on children.

A. Components of the Study

The FTP evaluation includes three major components:

- **Implementation analysis.** This part of the study examines how FTP operated. Data on a program's implementation can be critical to interpreting its impacts and to identifying practices that are associated with success.

- **Impact analysis.** This part of the study assesses whether FTP generated changes in participants' employment, earnings, welfare receipt, family income, and other outcomes, relative to the AFDC system it replaced. The impact analysis is also examining FTP's effects on family functioning and on the well-being of participants' children.

- **Benefit-cost analysis.** This analysis uses data from the impact analysis and from fiscal records to compare the financial benefits and costs of FTP for both taxpayers and individuals subject to the program.

This final report describes results for all three study areas. The specific data sources used in preparing this report are described later in this chapter.

B. Research Design for the Impact Analysis

Welfare recipients frequently find jobs and leave the welfare rolls with or without the assistance of special programs or policies. This is particularly likely to be the case when economic conditions are good, as they have been for the past several years. Thus, in assessing the effectiveness of a program such as FTP, it is critical to separate outcomes that are attributable to the new program from those that would have occurred even if the program did not exist. As noted earlier, the FTP evaluation uses a random assignment research design to address this task. For purposes of the study, welfare applicants and recipients who met the criteria for FTP (discussed below) were assigned, at random, to one of two groups:

- The **FTP group**, whose members were eligible for FTP's services and subject to its mandates, including the time limit; or
- The **AFDC group**, whose members were subject to the welfare rules that existed before FTP was implemented — which included, for many recipients, a requirement to participate in employment-related activities through Project Independence, Florida's pre-existing welfare-to-work program.[15]

MDRC tracked the two groups during a *follow-up period* lasting four years and compared them on a number of measures, including their employment and welfare receipt patterns, family income, and others. Although this methodology has some limitations — for example, it cannot assess whether FTP affected the number of people who applied for welfare in the first place — random assignment is generally seen as the most reliable way to determine what difference, if any, a program makes.[16] A later section of this chapter discusses how the unique context in which FTP has operated may affect the study's results.

Although the Work and Gain Economic Self-Sufficiency (WAGES) program replaced AFDC statewide in Florida in late 1996, to facilitate completing the study, both FTP and traditional AFDC continued to operate in Escambia County until late 1999.[17] This situation presented Escambia County

[15]In early reports in this study, the FTP group was referred to as the "program group," and the AFDC group was called the "control group."

[16]The study can only assess differences that emerge after people were randomly assigned to the FTP and AFDC groups. Because the random assignment occurred when people applied for welfare, there is no way to determine whether the program affected the number of people who took this step. However, because random assignment occurred early in the application process, it can determine whether FTP affected the number of applicants who completed their application and began receiving benefits.

[17]FTP officially ended on December 1, 1999, when individuals in the FTP and AFDC groups became subject to WAGES rules. However, distinction between the groups began to blur in September 1999, when AFDC group members were informed that they would become subject to WAGES in December.

staff with the challenging task of operating three different welfare programs simultaneously. (Beginning in October 1996, new applicants for welfare in Escambia County who had not already been assigned to the FTP group or the AFDC group were placed into WAGES.)

C. The Random Assignment Process

People were assigned to the FTP and AFDC groups from May 1994 through October 1996.[18] Beginning in May 1994, all applicants for cash assistance who met FTP's eligibility criteria were randomly assigned either to FTP or to AFDC at the time they applied. People who were already receiving assistance when FTP began were phased in over time; they were randomly assigned when they appeared for semiannual recertification interviews.[19]

Figure 1.2 illustrates the random assignment process. Whether it occurred at application or recertification, the process began with screening: Staff went through a checklist to determine whether the applicant or recipient met any of the criteria for an exemption from FTP. The following groups were exempted upfront and were not randomly assigned:

- Incapacitated or disabled adults;
- Individuals under 18 years old who were attending school or working 30 hours or more per week;
- Adults caring full time for disabled dependents;
- Parents caring for children 6 months old or younger;[20]
- Recipients 62 years old or older; and
- Caretaker relatives whose needs are not included in the grant.

If there was no exemption, staff gave a brief description of FTP and the evaluation and, through a brief interview with the applicant or recipient, completed a one-page sheet called the Background Information Form (BIF). The BIF included identifying information (name, Social Security number, etc.), demographic information, and data on the individual's work and welfare history. Next, staff asked the individual to fill out a brief, confidential questionnaire called the Private Opinion Survey (POS).[21] Data from the BIF and POS are presented below.

Once these forms were complete, FTP staff members placed a phone call to MDRC and read a few items from the BIF to an MDRC clerk. Using this information, individuals were ran-

[18]FTP began operating in February 1994 with a small-scale, three-month pilot. Random assignment and full-scale operations began in May.

[19]In order to control the flow of people into FTP, only a portion of those showing up for recertification went through the random assignment process initially; the rest remained subject to traditional AFDC rules. Specifically, from May to August 1994, 30 percent of those appearing for recertification were randomly assigned. Beginning in August, one-half of those showing up for recertification were randomly assigned, and, beginning in December, all recipients went through the process. The pace of random assignment was then slowed from March to November 1995.

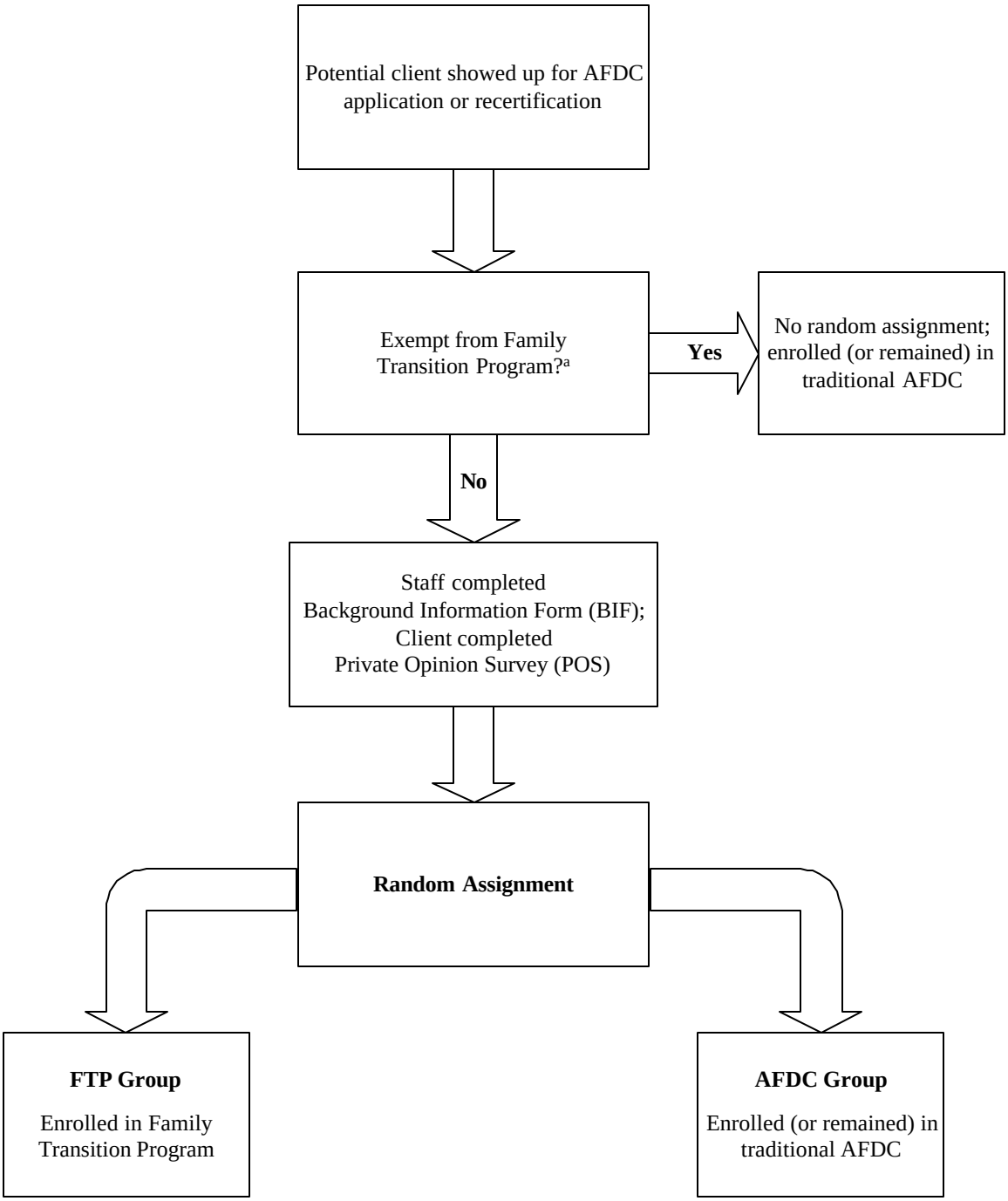
[20]This exemption applied only to children conceived before the mother entered FTP. A recipient screened out initially for this reason, however, would likely be randomly assigned at a later recertification appointment.

[21]A third form was used to collect contact information for a later survey.

Figure 1.2

Florida's Family Transition Program

The Random Assignment Process



NOTE: [a]The following individuals were exempted from FTP before random assignment: incapacitated or disabled adults; individuals under 18 years old who were attending school or working 30 hours or more per week; adults caring full time for disabled dependents; parents caring for children six months old or younger; recipients 62 years old or older; and caretaker relatives whose needs are not included in the grant.

domly assigned to either the FTP or the AFDC group by a computer program on site at MDRC. Those individuals assigned to the AFDC group continued their application or recertification with staff from the traditional AFDC program; FTP group members were enrolled into FTP.

A few aspects of this process are worth noting. First, because of the up-front screening process, a segment of Escambia's welfare caseload was not included in the evaluation.[22] Thus, the results presented here may not provide information on the impact of FTP for the full caseload — including, potentially, a hard-to-employ segment of the population (for example, people who indicated that they were incapacitated).

Second, welfare applicants were randomly assigned before staff knew whether their application would be approved. Thus, as discussed later, around 8 percent of the FTP group never received cash assistance during the follow-up period, either because they did not follow through with their application or because they were found to be ineligible for benefits. Because people's behavior may have been affected by FTP from the time they first heard about the program, conducting random assignment at this early point gave the study a better chance to measure the program's full impact. At the same time, however, the early point of random assignment means that some FTP group members had only very limited contact with the program.

Third, although staff screened out people who were exempt from FTP prior to random assignment, some members of the FTP group were also exempted after random assignment. When this occurred, the individual's time-limit "clock" was stopped (that is, while the exemption applied, months of cash assistance receipt did not count toward the time limit). Post-random assignment exemptions might have occurred because an exemption slipped through the screening process undetected or because an exemption did not exist until some point after random assignment (for example, a participant may have become incapacitated after random assignment).[23] Individuals who were exempted after random assignment remained part of the analysis.

D. The FTP Target Population

This section uses data from the BIF and POS to provide a snapshot of the FTP target population at the point people entered the study.

1. Demographic characteristics. Table 1.3 shows information collected from the BIF for members of the FTP and AFDC groups. BIF data are available for approximately 97 percent of the report sample, which, as discussed below, includes single parents randomly assigned from May 1994 through February 1995. (Appendix Table A.9 and Appendix Table A.10 show these data separately for the two research groups; as expected, there are few statistically significant differences between the groups.)

[22]Because precise records were not kept of the individuals who were screened out, it is impossible to determine the size or characteristics of this population.

[23]In addition, it is important to note that most other Florida counties did not impose time limits until late 1996, when the statewide WAGES program started. Thus, if a member of the FTP group left Escambia County before that point and began receiving welfare in another county, she was no longer subject to a time limit (unless she later returned to Escambia County). After WAGES was implemented, however, an FTP group member's clock "followed" her into any district in the state. Similarly, an AFDC group member who moved out of Escambia County after late 1996 would have been subject to the WAGES time limit (starting with month 1) if she started receiving cash assistance.

Table 1.3

Florida's Family Transition Program

Selected Demographic Characteristics of the Report Sample at the Time of Random Assignment

Characteristic	Report Sample
Gender (%)	
Female	97.2
Male	2.9
Age (%)	
Under 20	7.2
20-24	25.2
25-34	44.7
35-44	19.7
45 and over	3.3
Average age (years)	29.1
Race/ethnicity (%)	
White, non-Hispanic	45.4
Black, non-Hispanic	51.8
Hispanic	1.1
Other	1.7
Family status	
Marital status (%)	
Never married	49.4
Married, not living with spouse	24.4
Separated	4.8
Divorced	19.8
Other	1.7
Number of children (%)	
None[a]	4.7
One	39.3
Two	28.9
Three	17.1
Four or more	10.1
Average number of children	1.9
Age of youngest child (%)	
2 years and under[a]	42.4
3-5 years	26.3
6 years and over	31.3
Work history	
Ever worked (%)	90.7
Ever worked full time for 6 months or more for one employer (%)	60.1
Among those currently employed, average hourly wage ($)	4.93

(continued)

Table 1.3 (continued)

Characteristic	Report Sample
Approximate earnings in past 12 months (%)	
$0	53.8
$1-$999	19.1
$1,000-$4,999	15.5
$5,000 or more	11.5
Educational status	
Highest grade completed in school (average)	11.1
Highest degree/diploma earned (%)	
GED[b]	10.1
High school diploma	44.2
Technical/2-year college degree	5.5
4-year (or more) college degree	0.9
None of the above	39.4
Enrolled in education or training during the past 12 months (%)	23.4
Public assistance status	
Aid status (%)	
Applicant	51.7
Recipient	48.3
Total prior AFDC receipt[c] (%)	
None	12.2
Less than 1 year	20.5
1 year or more but less than 2 years	14.5
2 years or more but less than 5 years	25.3
5 years or more but less than 10 years	17.5
10 years or more	10.1
Resided as a child in a household receiving AFDC (%)	19.1
Current housing status (%)	
Public housing	7.1
Subsidized housing	16.2
Emergency or temporary housing	4.8
None of the above	71.9
Sample size	2,738

SOURCE: MDRC calculations from Background Information Forms (BIF) for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: A total of 79 sample members whose Background Information Forms were missing are not included in the table.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]This category includes sample members who were pregnant with their first child at the time of random assignment.

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

[c]This refers to the total number of months accumulated from one or more periods on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

As expected, the vast majority of report sample members are women. Their average age at the point of random assignment was about 29, but nearly one-third of the sample members were under 25 years old when randomly assigned. Roughly equal proportions of the sample are black and white; there are few Hispanics.

About half the sample members were applying for welfare when they were randomly assigned, but only about 12 percent were first-time applicants. Overall, about 53 percent reported that they had received welfare on their own or their spouse's case for a total of two years or more prior to random assignment. Interestingly, however, less than one in five grew up in a household that received AFDC.

These data provide some indication of the magnitude of the task FTP faced in helping participants move to self-sufficiency. One the one hand, the vast majority of sample members had at least some work experience prior to random assignment. On the other hand, most had little *recent* work experience (less than 12 percent had earned $5,000 or more in the previous year), and 40 percent had *never* worked full time for six months or more for one employer.

There is also evidence that many sample members had limited earnings capacity. Nearly 40 percent did not have a high school diploma or equivalent at the point of random assignment, and only 6 percent had a post-secondary degree. Those who were employed at the point of random assignment reported on average hourly wage of less than $5.00 (the minimum wage was $4.25 per hour when these data were collected).[24]

Finally, while most sample members had small families, more than two-thirds had at least one preschool child at the point of random assignment, and more than 40 percent had at least one child under age 3.

2. Attitudes and opinions. Table 1.4 displays information from the Private Opinion Survey; about 92 percent of report sample members completed the POS, which was optional. (Appendix A shows these data separately for the two research groups.)

These data show that about 72 percent of the sample members who were not employed at the point of random assignment reported that they were facing at least one of five specific barriers to employment. By far the most commonly cited barriers were related to child care and transportation, issues with which FTP offered assistance. Nearly one-fourth of the respondents said they could not work because they or a family member had a health or emotional problem, and a similar proportion said they were experiencing too many family problems. (There is some overlap between these two groups: About 34 percent said they had *either* a health or emotional problem *or* too many family problems; this is not shown in the table.) FTP offered counseling and health services designed to address some of these issues.

A series of questions asked respondents to express their preferences among five activities: part-time work, full-time work, basic education, job training, and staying home to care for one's family. The largest share of respondents — just over 40 percent — said they would prefer full-

[24]As expected, relatively few sample members — about 17 percent — were employed at the point of random assignment.

Table 1.4

Florida's Family Transition Program

Attitudes and Opinions of the Report Sample at the Time of Random Assignment

Attitude or Opinion	Report Sample
Client-reported barriers to employment	
Among those not currently employed, percentage who agreed or agreed a lot that they could not work part time right now for the following reasons:[a]	
No way to get there every day	42.8
Cannot arrange for child care	48.9
A health or emotional problem, or a family member with a health or emotional problem	23.1
Too many family problems	23.6
Already have too much to do during the day	16.2
Any of the above five reasons	72.1
Client-reported preferred activities	
Given the following choices, percentage who would prefer to:[b]	
Stay home to take care of their families	6.2
Go to school to learn a job skill	36.0
Go to school to study basic reading and math	5.2
Get a part-time job	6.0
Get a full-time job[c]	40.3
Client-reported expectations regarding employment	
Percentage of clients who would likely or very likely take a job that could support their family a little better than welfare if:	
Client didn't like the work	70.8
Client had to work at night once in a while	76.9
The job was in a fast-food restaurant like McDonald's	49.4
It took more than an hour to get there	40.6
Minimum amount per hour at which client would take a full-time job	
With no medical benefits:	
Median ($)	6.00
Mode ($)	5.00
Mean ($)	7.93
With full medical benefits:	
Median ($)	6.00
Mode ($)	5.00
Mean ($)	6.69
Clients' estimation of average added value of employer-provided medical benefits per hour ($)	1.24

(continued)

Table 1.4 (continued)

Attitude or Opinion	Report Sample
Percentage who agreed or agreed a lot that:	
It will probably take them more than a year to get a full-time job and get off welfare	46.9
They would take a full-time job today, even if the job paid less than welfare	38.1
If they got a job, they could find someone they trusted to take care of their children	77.9
A year from now they expect to be working	89.3
A year from now they expect to be receiving welfare	15.7
Client-reported attitudes toward welfare	
Percentage who agreed or agreed a lot with the following statements:	
I feel that people look down on me for being on welfare	45.1
I am ashamed to admit to people that I am on welfare	39.7
Right now, being on welfare provides for my family better than I could by working	40.2
I think it is better for my family that I stay on welfare than work at a job	10.2
Client-reported social support network	
Percentage who agreed or agreed a lot with the following statements:	
Among my family, friends, and neighbors, I am one of the few people on welfare	32.4
When I have trouble or need help, I have someone to talk to	77.4
Client-reported sense of efficacy	
Percentage who agreed or agreed a lot with the following statements:	
I have little control over the things that happen to me	23.7
I often feel angry that people like me never have a chance to succeed	39.0
Sometimes I feel that I'm being pushed around in life	44.5
There is little I can do to change many of the important things in my life	28.2
All of the above	6.1
None of the above	32.7
Sample size	2,583

SOURCE: MDRC calculations from Private Opinion Survey (POS) data for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: A total of 234 sample members who chose not to fill out a POS are not included in the table.

In most item groupings, individuals could agree or agree a lot with more than one statement in the grouping. Therefore, percentages may add up to more than 100.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]Part time is defined as a minimum of 10 hours per week.

[b]Distributions do not add up to 100 percent because some individuals did not indicate a consistent preference. Multiple responses were not possible for this item.

[c]Full time is defined as 40 hours or more per week.

time work. Another 36 percent preferred job training. Only about 5 percent said they preferred to go to school to study basic reading and math, and a similar proportion said they preferred to stay home to take care of their families.[25]

In terms of their job preferences, the vast majority of respondents said they would take a job that supported their families a little better than welfare, even if they did not like the work (71 percent) or if they had to work at night occasionally (77 percent). However, fewer than half said they would take the job if it was at a fast-food restaurant or if it took them more than one hour to get there. Less than 40 percent of respondents said they would take a full-time job that paid less than welfare. (Such jobs are likely to be rare; even a minimum-wage, full-time job would pay more than the combined total of AFDC/TANF and Food Stamps for most FTP families.)

Several of the responses indicate that respondents placed a high value on health insurance coverage. When asked about their minimum acceptable hourly wage, the average response was $6.69 an hour if the job provided health insurance and $7.93 an hour if it did not. In other words, respondents valued health insurance at about $1.24 per hour.

Although respondents probably knew little about FTP's time limit at the point the POS was administered, very few of them expected to reach the "cliff." Only 16 percent said they expected to be receiving welfare in one year; 89 percent said they expected to be working at that point.

E. Data Sources for the Evaluation

The following types of data were collected for all or some individual members of the FTP and AFDC groups:

- **Baseline data.** As noted earlier, two brief forms were completed for virtually all members of the research sample. These data provide a "snapshot" of the characteristics and attitudes of the two groups' members as of the date each person was randomly assigned.

- **Administrative records.** The State of Florida provided MDRC with computerized data on monthly AFDC/TANF payments, monthly Food Stamp benefits, and quarterly earnings reported to the state's Unemployment Insurance (UI) system, as well as UI benefit payments, child care subsidy payments, and Medicaid expenditures. These data covered all members of the FTP and AFDC groups. The AFDC/TANF and Food Stamp data cover the period from April 1993 (one year before the first random assignment) to June 1999, while the quarterly earnings data cover the period from April 1993 to September 1999.

[25]On another question (not shown in the table), 21.3 percent said that they "prefer not to work so they can take care of their families full time." The question shown in the table asked respondents to express their preferences among the five activities. Apparently, some people would prefer training or some other activity — but not full-time work — to staying home full time.

- **Four-year client survey.** A survey firm, working under contract to MDRC, conducted interviews with FTP and AFDC group members in 1998 and 1999; the interviews were intended to take place four years after each person's date of random assignment. All respondents completed a 35-minute "core" module, consisting of questions on employment, household income, material well-being, and other issues. Respondents with at least one child between 5 and 12 years old (as of the interview date) also completed an additional 90-minute segment of questions focusing on child care, the home environment, parenting, and child well-being.

- **Post-time-limit survey.** Working with subcontractors, MDRC sought to conduct in-person interviews with all FTP participants who reached the time limit during certain calendar periods. Individuals were interviewed around the time their benefits expired, and then 6, 12, and 18 months later. This report focuses mostly on the results of the 18-month follow-up interview, a lengthy open-ended discussion conducted by a trained ethnographer.

- **Other program data.** MDRC obtained data on FTP group members' case histories and participation in employment-related activities from FTP's computerized tracking system (known as CMS) and from two statewide databases — the FLORIDA system and the WAGES system. In addition, program casefiles were reviewed for subsets of both research groups on several occasions.[26]

- **Two-year client survey.** The two-year client survey, including just over 600 FTP and AFDC group members, was conducted in 1997.[27] Covering a broad range of topics, that survey was administered by telephone in most cases, and in-person with those who could not be reached by phone (the response rate was 80 percent). In addition, a brief telephone survey of 81 FTP and AFDC group members was conducted in 1995, about three months after people entered the study; the survey was designed to assess individuals' awareness of the rules that applied to their research group.[28] In 1996, MDRC also conducted several focus groups with current or former FTP participants.

The study also used several other types of data to help characterize FTP's implementation and costs. For example, MDRC staff periodically visited Escambia County throughout the study period to interview line staff and managers and to observe program activities. In addition, MDRC administered written surveys to 126 staff members in FTP and the traditional AFDC program in mid-1996. Finally, a variety of fiscal and other government records (for example, expenditure reports, contracts, tax regulations, etc.) were used for the cost analysis.

F. Samples, Subgroups, and Time Frames

Because some of the individual-level data described in the previous section are only available for subsets of sample members, this report's analysis does not always focus on all members of the FTP and AFDC groups. The various samples and subsamples included in this report are described below.

[26]The largest case file review was in mid-1996, when just over 200 sample members' cases were examined.

[27]The two-year survey was targeted to 750 people randomly assigned between December 1994 and February 1995.

[28]Most of the individuals targeted for that survey were randomly assigned in February 1995.

Figure 1.3 illustrates the time frames for which data are available, and Figure 1.4 represents the samples used in the analysis.

1. The report sample. As noted earlier, welfare applicants and recipients were randomly assigned to the FTP and AFDC groups from May 1994 to October 1996. A total of 5,430 people were randomly assigned during this period. However, all the reports in the study, including this one, focus on a subset of these people: the 2,817 single-parent cases that were randomly assigned from May 1994 to February 1995.[29] This group, known as the *report sample*, is depicted in Figures 1.3 and 1.4. It was selected because the random assignment process was virtually suspended from early March to late October 1995 for programmatic reasons. The few individuals assigned during this period were atypical — they were all applicants with no recent welfare history — and thus inappropriate to include in the analysis. Random assignment resumed from late 1995 to late 1996, but substantially less follow-up data are available for the later assignees.[30]

As discussed earlier, administrative records of quarterly earnings, AFDC/TANF payments, and Food Stamp benefits are available for all members of the FTP and AFDC groups. The administrative data cover at least four years after random assignment for each member of the report sample. The follow-up period is illustrated in Figure 1.3.

2. The four-year survey and child impact samples. Data from the four-year client survey are used throughout the report to examine topics that cannot be addressed using administrative records. As illustrated in Figures 1.3 and 1.4, the "fielded sample" for the four-year survey is a subset of the report sample, including all 2,160 individuals who were randomly assigned between August 1994 and February 1995 (nearly 80 percent of the report sample). The survey firm was able to locate and interview 80 percent of the fielded sample — a total of 1,729 people. This group is referred to as the *four-year survey sample*.

As noted earlier, all members of the four-year survey sample completed a core set of questions, whereas only those with a child between 5 and 12 years old completed the special child impact modules. As illustrated in Figure 1.4, this group, which includes 1,108 people, is referred to as the *focal child sample*. It is used in Chapters 5 and 6, which explore FTP's impacts on children in eligible families. (A limited number of child-focused questions were asked of all survey respondents, referring to all of their children. Thus, some sections of the child analysis include all children who were under 18 years old at the time of the survey interview.)

3. The time-limit samples. Chapter 7 focuses specifically on the 237 FTP group members in the report sample who reached the time limit and had their welfare benefits canceled. Baseline data and administrative records are used to examine this entire group, and the 136 of them who responded to the four-year survey are examined as well.

Finally, as noted earlier, MDRC attempted to conduct four interviews, at six-month intervals, with a subset of the people who reached the time limit. As discussed further in Chapter 7 and Appendix F, MDRC attempted to interview everyone who reached the time limit during two

[29]Two of these individuals were dropped from the impact analysis because of data problems.

[30]Results for the two-parent cases — who accounted for about 11 percent of the cases randomly assigned from May 1994 to February 1995 — are shown in Appendix B.

Figure 1.3

Florida's Family Transition Program

Milestones in FTP's Implementation and Time Frames Covered by the Key Data Sources Used in This Report

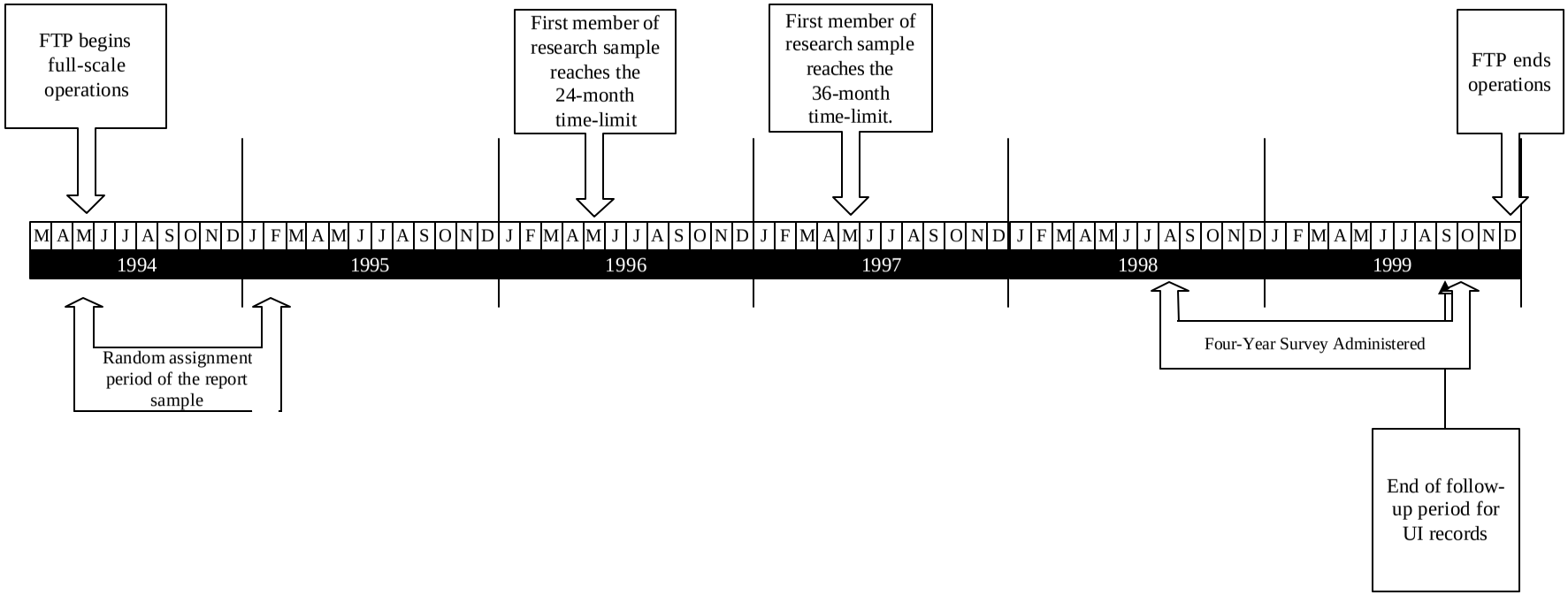
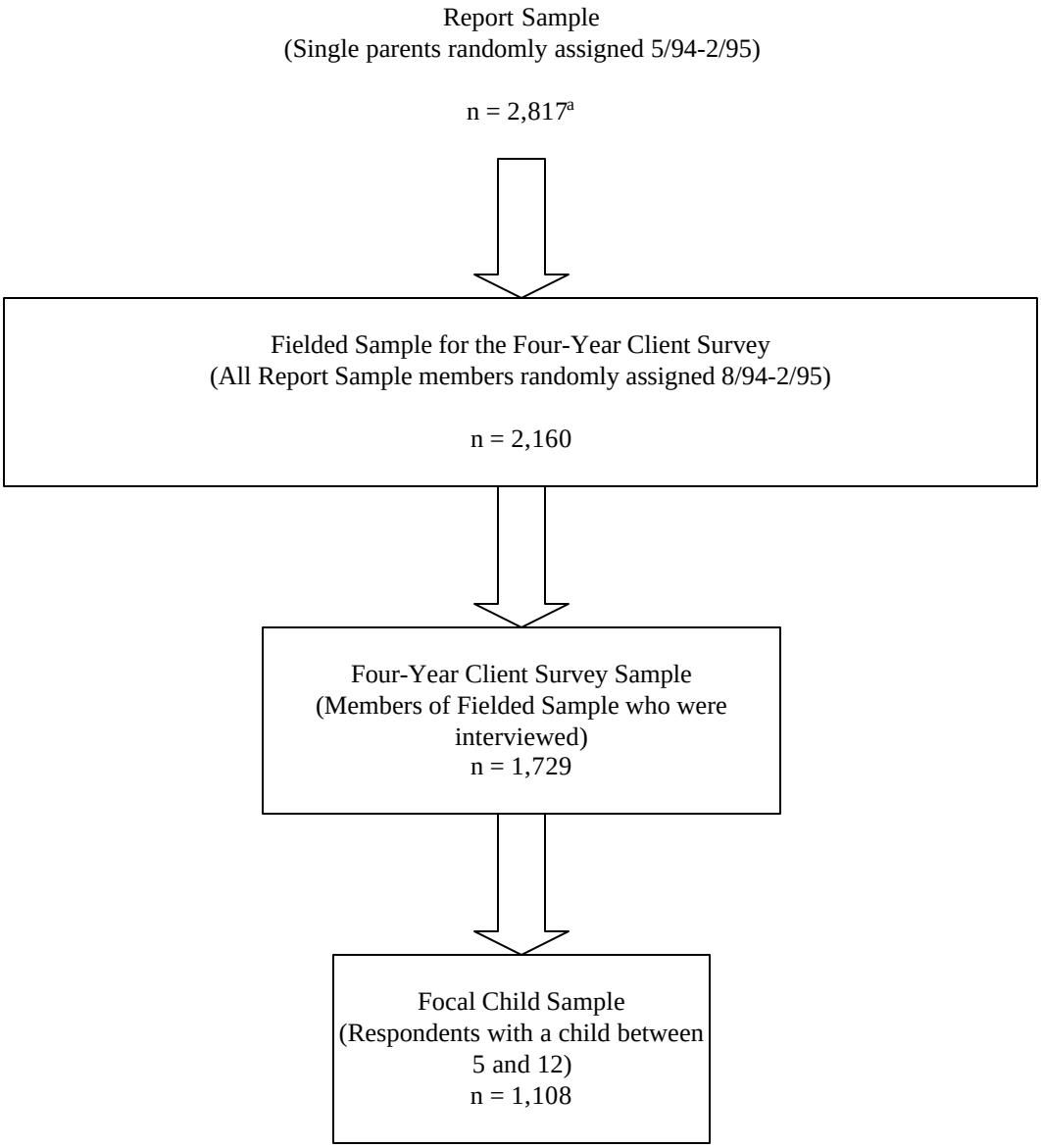


Figure 1.4

Florida's Family Transition Program

Key Samples and Subsamples Used in This Report



NOTES: [a]Two sample members were dropped from the impact analysis due to incomplete administrative data.

specific calendar periods — November 1996 through May 1997 for those subject to a 24-month time limit, and June 1997 through February 1998 for those subject to a 36-month time limit. In all, 89 people were identified to have received their final welfare checks during those periods, and 70 of the 89 agreed to participate in the study by completing an interview around the time their benefits expired. Of the 70, a total of 57 completed the six-month follow-up interview, 49 completed the 12-month interview, and 54 completed the in-depth 18-month interview (43 of the 54 interviews were completed in time to be included in this report's analysis).

4. Subgroups. In addition to assessing FTP's impact on the report sample (or the four-year survey sample) as a whole, the report also examines whether FTP's impacts differ for specific subgroups within those samples. Often, overall results mask the fact that a program works differently for different types of people. As discussed in Chapter 3, this report focuses mainly on subgroups defined by the sample member's risk of becoming a long-term welfare recipient.

III. The Context for FTP's Implementation

In considering the broader applicability of the FTP experience, it is important to understand the unique context in which the program operated. This section describes the economic context, the welfare reform environment, and FTP's implementation schedule, and then it discusses how these factors may affect the evaluation results.

A. About Escambia County

Escambia County is located in the panhandle region in northwestern Florida, along the Alabama border. As Table 1.5 shows, Escambia is a mid-sized county by Florida standards. It has a relatively large nonwhite population, a fairly low median household income, and a poverty rate that exceeds the state and national averages. Nearly one-fourth of the county's population lives within the borders of the largest city, Pensacola.[31]

In general, the breakdown of employment by sector is similar in Escambia County and the State of Florida. The key difference is that a much larger fraction of the Escambia County workforce is employed by the government; there is a large U.S. Navy facility in the county.[32] There is also a large tourism industry, which generates many seasonal jobs.

FTP was implemented in a healthy economic climate. Escambia County's unemployment rate was generally similar to or below the state and national rates throughout the period of FTP's implementation.

B. Implementation Schedule

FTP was implemented very quickly, with little time for advance planning. As shown in Figure 1.5, pilot operations commenced just 10 months after the enabling legislation passed, and

[31]Pensacola's population is about 60,000, but the population of the metropolitan area (which is only partly in Escambia County) is about 378,000.

[32]The wages of federal government employees do not appear in the UI wage records used in this analysis. However, the wages of individuals working at a military facility for a private contractor would be included.

Table 1.5

Florida's Family Transition Program

Selected Demographic and Economic Characteristics: Escambia County, State of Florida, and United States

Characteristic	Escambia County	State of Florida	United States
Total population (1995)	273,804	14,165,570	262,755,270
Rank among Florida's 67 counties	15	N/A	N/A
Nonwhite population (1990) (%)	23.4	16.9	19.7
Rural population (1990) (%)	14.1	15.2	24.8
Median household income (1990) ($)	25,158	27,483	30,056
Poverty rate (1990) (%)	17.0	12.7	13.1
Nonfarm employment by industry (1990) (%)			
Manufacturing	7.3	8.0	17.4
Trade	22.1	24.2	17.9
Services	27.2	30.9	25.5
Government	26.6	14.4	16.7
Construction	6.0	6.6	4.7
Finance, insurance, real estate	5.6	9.3	6.1
Other	5.2	6.6	82.6
Unemployment rate (%)			
1994	4.7	6.6	6.1
1995	4.3	5.5	5.6
1996	4.1	5.1	5.4
1997	4.2	4.8	4.9
1998	3.9	4.3	4.5
1999	3.5	3.9	4.2

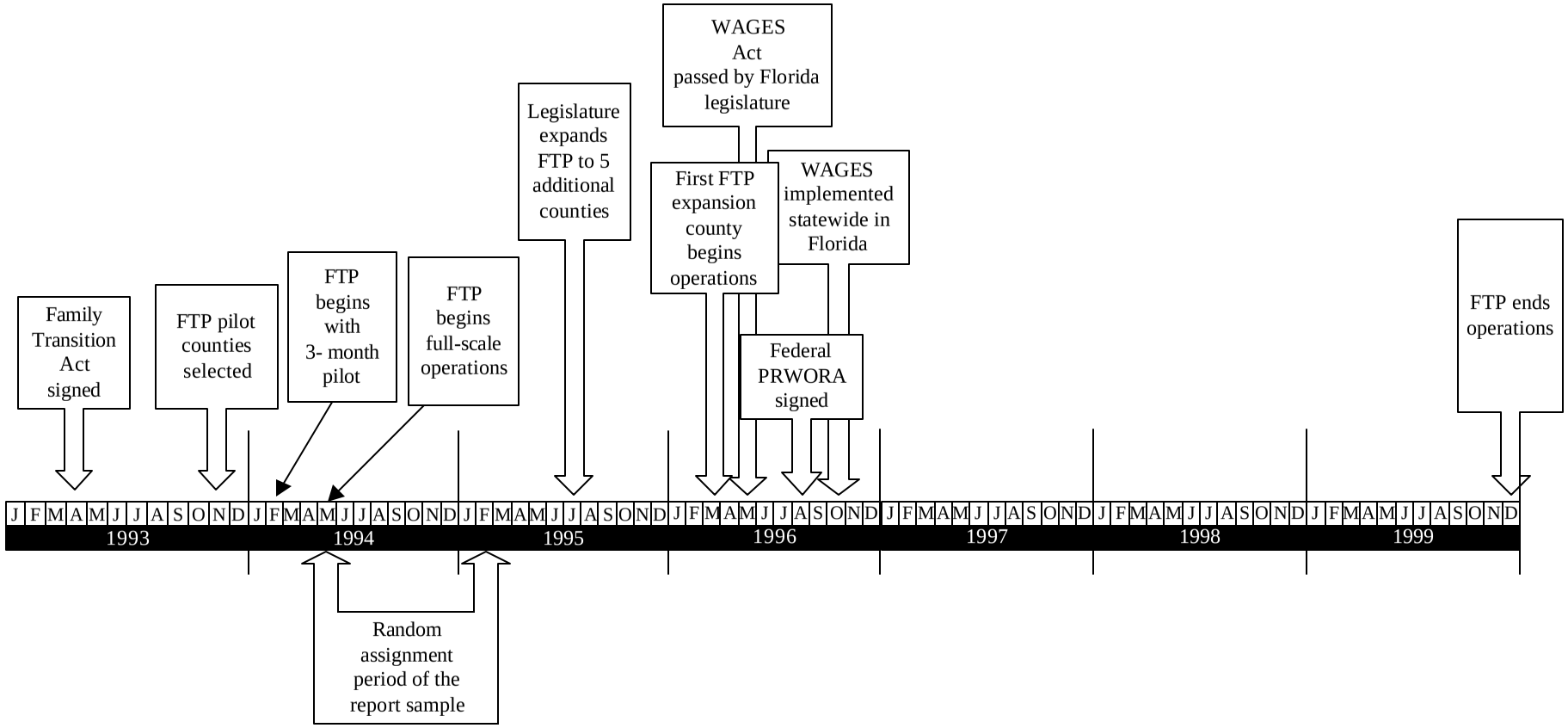
SOURCES: All total population data, all nonwhite population data, all median household income data, and all poverty rate data are from the U.S. Census, published in Hall and Gaquin, *1997 County and City Extra*, 1997; U.S. Bureau of the Census, 1996 (all rural population data); *Florida County Comparisons*, Florida Department of Commerce, 1993 (county rank, data on Escambia's and Florida's employment by industry); U.S. Department of Labor, Bureau of Labor Statistics web site, 2000 (unemployment rate data, U.S. employment by industry data, number of employed persons); Florida Department of Labor and Economic Security (Escambia County and Florida State unemployment rate data); and U.S. Bureau of the Census, Population Division web site.

NOTE: N/A indicates that the data are not applicable.

Figure 1.5

Florida's Family Transition Program

Key Developments in Federal and State Welfare Reform During FTP's Operational Period



only 3 months after Escambia was selected as an FTP pilot county. This meant that local planners had little time to assemble the multi-agency structure needed to deliver FTP's enhanced service model, and, in fact, some key pieces of the package were not in place when the first members of the report sample were randomly assigned (discussed further in Chapter 2).

In addition, the study's focus on early enrollees means that the analysis targets people who entered FTP long before anyone in the United States had reached a time limit. Staff reported that many of these early enrollees expressed skepticism about whether the time limit would really be implemented as designed (some staff also expressed uncertainty on this point).

C. Welfare Reform and Welfare Caseload Patterns

FTP has been implemented during a period of extraordinary change in state and federal welfare policy. As shown in Figure 1.5, about one year after FTP began full-scale operations, the Florida legislature voted to expand FTP to several other Florida counties. The legislature then passed the WAGES act in May 1996, and Congress passed the federal welfare law three months later. Both laws were enacted after highly publicized debates. WAGES was then implemented statewide in October 1996, again with heavy publicity. WAGES is based on FTP, but its policies are stricter in some respects. For example, WAGES includes a 48-month lifetime time limit in addition to the shorter fixed-period time limits (that is, 24 months in any 60-month period and 36 months in any 72-month period). In addition, WAGES allows for fewer exemptions from its time limits. Finally, although the implementation of WAGES varies across the state, the program generally does not include FTP's focus on intensive services and case management.

Figure 1.6 shows that Florida's welfare caseload declined at an unprecedented rate during the period of FTP's implementation. After more than doubling in the period from 1989 to late 1993, the number of families receiving cash assistance plunged by 71 percent from January 1994 to June 1999. The caseload decline began in 1994, but accelerated after the implementation of WAGES in late 1996. Perhaps because the state caseload reached such a high level in the early 1990s, the rate of decline since that time has been much greater in Florida than in most other states (the national caseload dropped by 49 percent during the same period). The rate of caseload decline in Escambia County from 1994 to 1999 (69 percent) was similar to the statewide figure.

D. How the Context May Affect the Evaluation Results

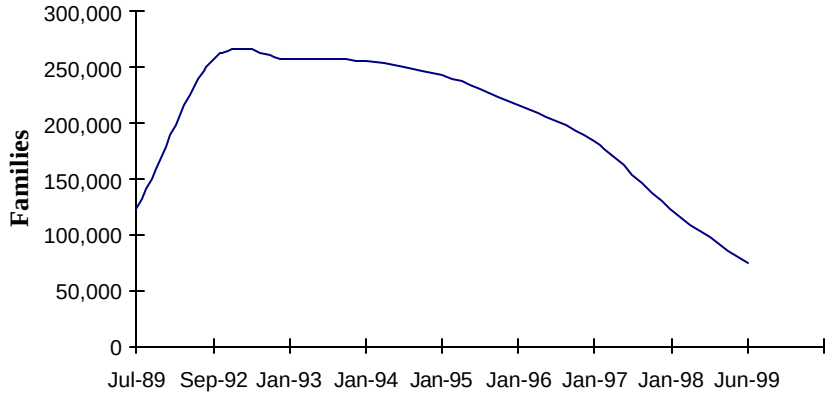
Understanding the context of a program's implementation is always important in considering the broader applicability of its results. In this case, the unusual context may also have implications for whether FTP received a fair test.

1. The start-up issue. It is never ideal to evaluate a program during its start-up period, because implementation problems are likely to prevent it from operating at peak efficiency. This is particularly likely with a program such as FTP, which was complex and innovative and was put in place very quickly. Indeed, as discussed in Chapter 2, FTP experienced a variety of start-up problems during its early months. In addition, initial skepticism about FTP's time limit may have reduced the likelihood that recipients would act in anticipation of the limit, for example, by leaving welfare more quickly to save or bank their available months. As a result, outcomes for the FTP group might have been stronger —

Figure 1.6

Florida's Family Transition Program

Florida's AFDC/TANF Caseload: 1989-1999



SOURCE: U.S. Department of Health and Human Services web site (www.acf.dhhs.gov).

for example, recipients might have found better jobs or left welfare more quickly — had the study been conducted during a "steady state" period in the program's operational life.

2. Welfare reform and the AFDC group. In light of the information presented above, one would have expected the AFDC group to achieve relatively positive outcomes. In other words, in a period of low unemployment and rapid caseload decline, one would have expected many members of the AFDC group to find jobs and leave welfare, even without FTP's time limit and special services.

Table 1.6 examines this issue by comparing outcomes at the end of the third year of follow-up for the AFDC group in the FTP evaluation and for the *program group* in MDRC's earlier evaluation of Project Independence (PI). Conducted in nine diverse Florida counties (but not Escambia), the earlier study randomly assigned welfare applicants and recipients to PI (the program group) or to a control group that was not required to participate in any welfare-to-work services. As a result, the PI evaluation's program group and the FTP evaluation's AFDC group were subject to essentially the same rules and received similar services. But the context was quite different: The PI evaluation sample was randomly assigned in 1990 and 1991, in the midst of a recession, when Florida's unemployment rate and welfare caseload were both rising rapidly.

To make the two samples more comparable, they are broken down into three common subgroups: first-time welfare applicants, applicants and recipients who had received welfare for a cumulative total of less than two years prior to random assignment, and applicants and recipients who had received welfare for two years or more.

The results show the expected pattern: Members of the FTP evaluation's AFDC group left welfare much more quickly than did members of the earlier PI program group. For example, among those with less than two years of prior welfare, 45 percent of the PI program group was receiving welfare three years after random assignment. The corresponding figure for the FTP evaluation's AFDC group was only 18 percent. The rates of UI-covered employment are also higher for the FTP evaluation AFDC group, although only modestly so.

The relatively high rate of employment and the very rapid pace of welfare exits for the AFDC group represent a high hurdle and suggest that FTP might have had difficulty generating large impacts. In other words, if AFDC group members were quite likely to find jobs and leave welfare without FTP, the program would probably have a more difficult time making a difference.

Nevertheless, if the unusually strong AFDC group outcomes were driven solely by external factors, such as the strong economy, there is no reason to believe that FTP did not receive a fair test. If, on the other hand, the AFDC group was affected in part by the publicity and community discourse generated by FTP, then the study might not capture FTP's full impact. Similarly, if the AFDC group's behavior was affected by the state and national welfare reform debates, or by the implementation of WAGES in Escambia County, then that group may not truly represent outcomes under the pre-welfare reform AFDC/PI program.

Table 1.6

Florida's Family Transition Program

Cash Assistance Receipt and Employment in the Last Quarter of Year 3 for the FTP Evaluation's AFDC Group and the Project Independence Evaluation's Program Group

Outcome	FTP Evaluation: AFDC Group	PI Evaluation: Program Group
First-time applicants		
Received AFDC/TANF (%)	10.9	32.6
Employed (%)	48.3	39.5
Sample members with less than 2 years of prior welfare receipt		
Received AFDC/TANF (%)	18.1	44.5
Employed (%)	42.9	38.4
Sample members with 2 or more years of prior welfare receipt		
Received AFDC/TANF (%)	37.9	60.6
Employed (%)	46.4	37.4
Sample Size	1,355	12,535

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records and AFDC/TANF records.

MDRC's monitoring of the random assignment process indicates that local staff were quite diligent in maintaining the integrity of the experiment; that is, few, if any AFDC group members were erroneously enrolled into FTP. Nevertheless, data presented later in the report indicate that the AFDC group is not totally "pure" — that its outcomes have almost certainly been influenced by welfare reform to some extent. For example, as discussed in Chapter 2, survey results indicate that a minority of AFDC group members believed, erroneously, that they were subject to a time limit on welfare receipt. Similarly, there is some evidence that the AFDC group's patterns of employment may have been affected by WAGES late in the follow-up period.[33]

3. Did FTP receive a fair test? The data presented above suggest that the evaluation represents a conservative test of FTP's impacts — that the program's impacts might have been larger if the AFDC group had been completely unaffected by welfare reform and if the study had not been conducted during FTP's start-up period. This is likely to be particularly true during the latter part of the follow-up period, after WAGES was implemented.

Nevertheless, the weight of the evidence suggests that FTP received a fair test overall. Evidence presented in Chapter 2 shows that FTP and AFDC group members had dramatically different experiences while on welfare. FTP sent a sharply different message and provided different services than the traditional program. If the program's message and services truly affected participants' outcomes, this would have been reflected in program impacts.

Additional evidence can be drawn from county welfare caseload data. As will be discussed in Chapter 3, FTP generated no impact on cash assistance receipt in the first two years of the follow-up period (roughly corresponding to the period from mid-1994 to mid-1996); that is, until people began reaching the time limit, the FTP and AFDC groups had similar rates of cash assistance receipt. If FTP actually generated a large decrease in welfare receipt that was not measured because of AFDC group "contamination," one would have expected Escambia's caseload to decline much faster than other counties' caseloads during this period. After all, until early 1996, Escambia was the only county in the state implementing a mandatory FTP program, and it is hard to believe that the publicity generated by Escambia's program dramatically influenced welfare caseloads throughout a very large state.

Table 1.7 examines this issue by showing welfare caseload figures for selected Florida counties during the first two years of FTP's implementation (the table includes all counties with at least 1,000 families receiving assistance in February 1994). The third column shows the percentage decline in the welfare caseload in each county from February 1994 (when FTP began operating on a pilot basis) to February 1996; several other counties began operating FTP programs shortly thereafter. As the table shows, the Escambia caseload decreased somewhat faster than the state average during this period. However, other mid-sized counties that were not implementing FTP experienced caseload declines that

[33]This discussion focuses on the AFDC group, but some staff believed that the implementation of WAGES also affected the behavior of the FTP group. Prior to October 1996, FTP was seen as "tougher" than traditional AFDC owing to its mandates and time limit. After that point, FTP started to be seen by some as more generous and service-rich than WAGES. This may have motivated some FTP participants to take fuller advantage of what the program had to offer.

Table 1.7

Florida's Family Transition Program

Decline of Welfare Caseloads in Selected Florida Counties from February 1994 to February 1996

	Families Receiving Cash Assistance		Caseload Decline (%)
County Name	February 1994	February 1996	2/94-2/96
Sarasota	2,117	1,560	-35.7
Palm Beach	11,422	8,732	-30.8
Manatee	3,119	2,399	-30.0
Duval	16,546	12,743	-29.8
Okaloosa	1,638	1,284	-27.6
St. Johns	1,087	863	-26.0
Orange	13,586	10,936	-24.2
Pinellas	11,704	9,497	-23.2
Seminole	3,799	3,092	-22.9
Escambia	**6,603**	**5,431**	-21.6
Collier	1,751	1,444	-21.3
Gadsden	1,792	1,483	-20.8
Columbia	1,359	1,126	-20.7
Citrus	1,456	1,210	-20.3
Broward	18,891	15,841	-19.3
Clay	1,013	851	-19.0
St. Lucie	3,031	2,556	-18.6
Volusia	5,893	5,006	-17.7
Lake	2,858	2,432	-17.5
Marion	4,412	3,786	-16.5
Leon	3,611	3,117	-15.8
Santa Rosa	1,382	1,208	-14.4
Hillsborough	17,946	15,714	-14.2
Brevard	5,424	4,759	-14.0
Dade	55,293	48,630	-13.7
Putnam	2,178	1,949	-11.7
Hernando	1,610	1,447	-11.3
Bay	2,341	2,105	-11.2
Lee	3,571	3,218	-11.0
Osceola	2,101	1,897	-10.8
Pasco	3,735	3,411	-9.5
Alachua	4,168	3,835	-8.7
Highlands	1,155	1,083	-6.6
Polk	8,493	8,041	-5.6
State total	244,266	207,573	-17.7

SOURCE: MDRC calculations based on data from the Florida Department of Children and Families.

NOTE: The table includes all counties with at least 1,000 families receiving assistance in February 1994.

were similar or larger than Escambia's. Although far from definitive, this pattern suggests that FTP probably did not generate a large impact on welfare caseloads in its early years of operation.

IV. The Contents of This Report

The report is organized as follows: Chapter 2 summarizes and updates the findings on FTP's implementation, focusing on the key factors that distinguished FTP from traditional AFDC (this is known as the "treatment difference"). Chapter 3 uses administrative and survey data to describe FTP's impacts on the employment and public assistance receipt patterns of eligible individuals. Chapter 4 uses survey data to examine FTP's impacts on material well-being, household income, and other issues. Chapters 5 and 6 discuss FTP's impacts on the well-being of children in eligible families. Chapter 7 describes results from the post-time-limit survey, and Chapter 8 describes the results of the benefit-cost analysis.

Chapter 2

Implementation of the Family Transition Program

This chapter describes how Florida implemented the Family Transition Program (FTP) in Escambia County, providing background and context for interpreting results presented in later chapters. For the most part, the data in this chapter are drawn from MDRC's earlier reports on FTP.

After a brief summary, the second section of the chapter gives an overview of FTP's implementation, describing the organizational and staffing structure and the key phases in the program's operational life. The third section describes the nature of the "treatment difference," highlighting the key ways in which FTP differed, in practice, from Aid to Families with Dependent Children (AFDC).

I. Findings in Brief

FTP aimed to provide a range of enhanced services and supports and to fundamentally change the welfare system's message to recipients. Although start-up problems hindered FTP from fully achieving this goal, data from program records, staff and client surveys, and interviews all indicate that there were, in fact, substantial differences between FTP and AFDC, even for early enrollees. FTP participants received more personalized services, were more likely to participate in employment-related activities, and heard a message that focused more strongly on the importance of employment and self-sufficiency. In addition, staff did a good job of informing FTP participants about the time limit.

At the same time, FTP's message did not focus heavily on the importance of leaving welfare quickly in order to "save" or "bank" the available months. In addition, especially during the early months of program operations (when the report sample entered the program), there was considerable skepticism about whether the time limit would be implemented.

In fact, the time limit was implemented in a relatively strict manner. Although a significant number of participants were granted exemptions for medical problems, thereby stopping their time- limit clocks, almost all of those who actually reached the time limit had their benefits canceled. However, the number of participants directly affected by the time limit was fairly small because most FTP group members left welfare before reaching it.

II. A Brief Overview of FTP's Implementation

This section sets the stage for the later discussion by describing the organizational structure and staffing of FTP and AFDC and by briefly reviewing the key stages in FTP's operational life.

A. Organizational Structure, Staffing, and Program Flow

In order to ensure that FTP would remain distinct from traditional AFDC, it was implemented as an entirely separate program. FTP had separate staff, and the program was housed in designated areas of Escambia County's two welfare offices (one office even had separate entrances for the two

programs). FTP participants had limited contact with the staff or physical surroundings of AFDC, and AFDC group members had little or no contact with FTP.

1. Organizational structure. Both FTP and traditional AFDC were administered by the Department of Children and Families (DCF). The Florida Department of Labor and Employment Security (DLES), through its Division of Jobs and Benefits, provided or coordinated employment-related services for welfare recipients statewide during this period, and it played this role for both the FTP and AFDC groups. Some of the employment services were provided by DLES directly, while others were administered by community colleges, school districts, and other agencies under contracts or other arrangements. As discussed below, DLES operated a special set of employment-related services for FTP participants; members of the AFDC group were served in the traditional Project Independence (PI) program.[1]

In addition to DLES, several other agencies provided services to FTP participants under contracts or arrangements with DCF or DLES; many of these services were available in the two FTP service centers to make them more accessible to participants. For example, the Escambia County Public Health Department outstationed a nurse in each service center to provide childhood immunizations and other health services for FTP participants and their children. Similarly, a local mental health facility outstationed a counselor in the FTP office; the child care resource and referral agency stationed child care counselors there; and a local community college developed and staffed an on-site computerized learning lab for FTP participants (discussed below).

2. Staffing. Each recipient in the AFDC group was assigned to a public assistance specialist (PAS), who was responsible for determining eligibility for public assistance and calculating benefits. Recipients who were required to participate in employment and training activities were also assigned to a PI career advisor employed by DLES, who assigned them to employment-related activities and monitored their progress. These two workers did not share caseloads; in other words, the recipients assigned to a particular PAS may have been assigned to many different career advisors, and vice versa. There was typically limited interaction between these two types of workers.

FTP participants were also assigned to two workers. The first, the FTP case manager, was responsible for determining eligibility but also played a broader role in helping participants plan and implement a route to self-sufficiency. FTP case managers had very small caseloads — each case manager was responsible for 30 to 40 active cases at any point (compared with 100 to 200 cases for each PAS).[2] At the peak, there were about 35 FTP case managers, most of whom were former public assistance specialists and were selected through a competitive process.

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[1]Prior to implementation of Work and Gain Economic Self-Sufficiency (WAGES), DLES was contracted by the Department of Children and Families to operate Project Independence, Florida's statewide Job Opportunities and Basic Skills Training (JOBS) welfare-to-work program. The name "Project Independence" was not used to describe DLES's welfare-to-work component under WAGES. However, the name is used in this report because members of the AFDC group participated in a program that was similar to the traditional PI program that operated statewide until October 1996.

[2]In general, FTP case managers were responsible for working with FTP group members who were still receiving cash assistance, who had recently left welfare for work, or who were making use of the Bootstrap program (which

(continued)

Nearly all the FTP participants were also assigned to work with one of a group of DLES career advisors designated to work with FTP participants. Typically, each career advisor handled the cases assigned to two specific case managers; these staff members sat in proximity to each other to facilitate regular communication. Like the case managers, FTP career advisors had much smaller caseloads than the PI career advisors who worked with members of the AFDC group.

In addition to their case manager and their career advisor, FTP participants also interacted regularly with the staff from the other partner agencies who played a role in FTP (see above).

3. Program flow. As described in Chapter 1, individuals went through the random assignment process when they were applying for welfare or having their benefits recertified. Those who were assigned to the FTP group were automatically enrolled in FTP, while those assigned to the AFDC group entered or remained in the traditional AFDC program.

In general, FTP group members went through the following steps:

- **Orientation.** Although FTP group members were introduced to the program during their initial application or recertification (just after random assignment), the "official" introduction occurred at a group or individual orientation, which usually was scheduled within a week or two after random assignment. Orientations were conducted in different ways at different points in the program's history, but they always included a description of FTP's rules, the time limit, and the services available.

- **Time-limit designation.** During the intake process, case managers determined whether each FTP participant would be assigned a 24-month or a 36-month time limit. This determination was based on the individual's welfare history, age, education credentials, and recent work experience.[3] Staff did not exercise discretion in assigning the time limit; the designation was based on objective criteria (although the rules were not always applied correctly during the start-up period).[4]

- **FTP plan.** Participants worked with their career advisor and case manager to develop a plan of activities designed to lead to self-sufficiency. Most FTP participants were expected to engage in activities for at least 30 hours per week (compared with the 20 hours required of the AFDC group). DLES provided the same general categories of employment-related services to the FTP and AFDC groups, but FTP's generous funding allowed administrators to develop some enhanced services (see below).

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provided continued support for education and training programs after clients left cash assistance). FTP group members who were no longer receiving cash assistance but were receiving other benefits such as Food Stamps, or who were exempt from FTP, were transferred to one of several public assistance specialists assigned to FTP.

[3]Specifically, participants were assigned a 24-month time limit unless they (1) had received AFDC for at least 36 of the 60 months prior to enrollment or (2) were under age 24 and had no high school diploma and little or no recent work history.

[4]In some cases, people were assigned a 36-month time limit if they were under age 24 and had no high school diploma *or* no recent work history.

- **Ongoing participation.** Case managers and career advisors monitored FTP group members' participation in their assigned activities. Those who failed to comply with their plan could be sanctioned. In general, career advisors monitored participation in employment-related activities, and case managers monitored the parental responsibility mandates (as well as eligibility-related mandates). As discussed below, participants who were not complying with FTP or who were failing to make progress toward self-sufficiency were also taken before a citizen Review Panel (described later).

- **Exit.** FTP participants who left welfare for work could receive continued support for education and training activities through the Bootstrap program. In addition, they were eligible for transitional child care assistance for two years and transitional Medicaid coverage for one year.

AFDC group members who were randomly assigned when applying for welfare and who were subject to employment and training participation mandates were referred to Project Independence staff for an orientation and the development of an employability plan. For ongoing recipients who were randomly assigned to the AFDC group at recertification, random assignment did not signal any particular change in their status. These individuals may or may not have been participating in employment-related activities at this point.

B. The Key Stages in FTP's Implementation

FTP did not experience a lengthy "steady state" operational period; the program was almost constantly in flux. When FTP began full-scale operations in May 1994, the program infrastructure was not yet in place. There was no contract between the local DCF office and the local Project Independence office, which was responsible for delivering enhanced employment-related services to FTP participants (a contract was signed in July, but the FTP employment component was not fully staffed for several more months).[5] Many of the agencies and services that would eventually be colocated in the FTP service centers were not yet on-site. And there was no automated management information system in place to track participants' activities or their progress toward the time limit.[6]

As might be expected, FTP did not operate at peak efficiency during 1994 and early 1995, the period when the report sample was randomly assigned. For example, even as the DLES staff came on board, FTP's employment component essentially operated as a distinct program. Many participants were required to develop two separate (although redundant) plans — an FTP Self-Sufficiency Plan (developed with their case manager) and a PI Employability Plan (developed with their career advisor).

[5]During the early operational period, there was a local contract between FTP and DLES to fund employment-related services for FTP participants in Escambia County. Eventually, these funds were folded into a statewide contract between DCF and DLES that covered several FTP pilots. When WAGES was implemented, the other FTP pilots were discontinued. Funding for FTP's employment component was then included in a larger pot of money provided to the local DLES office for WAGES (although DLES staff reported that specific funds were identified for FTP and that these expenditures were tracked separately).

[6]Because FTP was a relatively small pilot, DCF decided not to modify its statewide computer systems to reflect the program's rules.

This process required several visits to the office and sometimes stretched on for several weeks or months. There were also some "culture clashes" between the two sets of workers, and many of the enhanced employment-related services developed for FTP (see below) were not yet in place. It is worth noting that Project Independence — the program that provided employment services to the AFDC group — had been operating for several years and thus did not experience similar start-up problems.

Despite these challenging circumstances, new participants were entering FTP in fairly large numbers: Nearly 1,600 cases were randomly assigned to the FTP group between May 1994 and February 1995.[7] At that point, recognizing that start-up problems were hindering the program's performance, managers decided to substantially reduce the pace of intake. From March through October 1995, only new applicants with no recent welfare history were randomly assigned; all other applicants, and all recipients appearing for redetermination, remained subject to AFDC. Only about 200 people were assigned to the FTP group during this eight-month period. Managers and staff took this opportunity to finish assembling the FTP service package, start melding the various components into a coherent program, develop and articulate a consistent program "message," and catch up on client tracking and record keeping.

Although the pace of intake began to accelerate in late 1995, by this time, attention was heavily focused on developing and implementing the complex, multistage process for reviewing and assisting cases that were approaching the time limit (discussed below). Participants began reaching the time limit in early 1996.

Random assignment ended in October 1996, and, almost from that point forward, FTP began a long phase-out process. With no new clients entering the program and participants leaving welfare in large numbers, the active FTP caseload began to drop: According to program records, the number of active FTP cases dropped by nearly 60 percent (from 1,022 to 432) in the year after random assignment ended (the active caseload remained fairly steady afterwards). The number of staff decreased along with the caseload, and staff morale was affected — workers began to express concern about how long they could keep their jobs. In addition, staff reported that as the active caseload dropped, it included a growing concentration of participants facing serious barriers to employment.

The lack of stability makes it difficult to characterize precisely the version of FTP that was experienced by the report sample. Clearly, many members of the report sample experienced FTP while it was hindered by start-up problems. But those who were randomly assigned toward the end of the period (for example, in early 1995) and those who stayed on welfare longer also experienced the program as it evolved and matured.

III. The Key Differences Between FTP and AFDC

On paper, there were dramatic differences between FTP and AFDC (these policy differences are described in Chapter 1). However, in order to understand the actual nature of the "treatment differ-

[7]This figure is somewhat larger than the number of FTP group members in the report sample because it includes two-parent cases, who are not included in the analysis.

ence," it is necessary to examine how the program was implemented. This section highlights several of the key areas in which FTP differed from AFDC: the message, enhanced case management and services, employment-related services and mandates, and the time limit. In addition to the describing the nature of the treatment difference in each area, the section highlights key operational issues that affected FTP's ability to achieve the intended treatment differences.

A. The Message

A key goal of FTP was to change the message that is transmitted by the welfare system in its day-to-day interactions with recipients. FTP sought to replace a message focused on income maintenance with a message stressing that welfare is temporary and that recipients should be taking steps toward self-sufficiency.

Several factors affected the program's ability to deliver a clear, consistent message during its start-up period. First, as noted earlier, the components of the program operated by DCF and DLES were initially not well coordinated. Second, with so much effort devoted to assembling the service package, managers placed less emphasis on developing and articulating the program message. Third, some key program policies — particularly those related to the time limit — were not in place until well after the program began operating.

Despite these issues, data from field research, the staff survey, and the two-year client survey indicate that FTP group members received a substantially different message than did their counterparts in the AFDC group.[8]

1. Emphasis on self-sufficiency. All available data indicate that FTP group members had more frequent contact with staff than did AFDC group members and, during those contacts, were much more likely to address issues related to employment and self-sufficiency. The top panel of Figure 2.1 presents results from the 1996 staff survey. It shows, for example, that 88 percent of FTP case managers reported that they addressed specific employment and self-sufficiency issues during redetermination interviews; only 14 percent of traditional public assistance specialists gave this response. (AFDC group members may have discussed these issues with Project Independence staff.)

The bottom panel of Figure 2.1 shows results from the two-year client survey, which asked about messages respondents heard from the welfare system in general (not just from eligibility staff). These data indicate that FTP group members were much more likely than their AFDC group counterparts to hear various messages related to employment and self-sufficiency. For example, 61 percent of FTP group members and 33 percent of AFDC group members agreed that staff urged them to get off welfare quickly.[9]

2. Transmitting information about the time limit. Clearly, a central part of FTP's message involved the time limit. Staff informed participants about the time limit when they en-

[8]It is important to note that most of the data do not focus on the first few months of program operations, when FTP's message was likely to have been weakest (the two-year client survey targeted people randomly assigned from December 1994 to February 1995, and the staff survey was administered in 1996).

[9]These questions were asked of all survey respondents who reported that they had received welfare since random assignment — about 80 percent of all respondents.

Figure 2.1
Florida's Family Transition Program
Messages in FTP and AFDC: Staff and Client Perspectives

The Staff Perspective

Percent of workers who address specific employment and self-sufficiency issues at redetermination interviews:

Percent of workers who address specific employment and self-sufficiency issues in general discussion with clients:

Percent of workers who say their job is a "great deal" about helping people get off welfare:

The Client Perspective

Statement: **Percent agreeing with statement:**

The staff urged me to get education or training to improve my skills.

The staff pushed me to get off welfare.

The staff pushed me to get a job even before I felt ready or a good job came along.

SOURCES: MDRC calculations from the staff survey (top panel) and the two-year client survey (bottom panel).

NOTES: The questions on the staff surveys were mostly constructed in the form of 7-point scales. Respondents were asked to circle the number that came closest to describing their view. In discussing these results, this figure generally combines respondents who circled numbers 1, 2, or 3 and those who circled 5, 6, or 7. For example, the question reflected in the third set of bars was "How much is your job about helping people get off welfare?" and the scale ran from "not at all" (1) to "a great deal" (7). Eighty-one percent of FTP case managers circled 5, 6, or 7. The figures in the first two pairs of bars represent scales derived from several survey questions.

Results in the bottom panel reflect the percentage of respondents who agreed "a little" or "a lot" with each statement. These questions were asked of all respondents who reported that they had received cash assistance since random assignment.

tered the program and then reminded them of it frequently. The top panel of Figure 2.2 shows that 85 percent of FTP case managers and 70 percent of FTP career advisors reported on the staff survey that they "often" tried to motivate participants by mentioning when they would reach the time limit.

The client surveys confirm that staff did a good job of transmitting information about the time limit. In a small-scale telephone survey administered in 1995, about three months after people entered the program, 84 percent of FTP group respondents were aware that they were subject to a time limit. Similarly, the bottom panel of Figure 2.2 shows that, on the two-year client survey, 88 percent of FTP group members said they were subject to a time limit (or, for those not currently receiving welfare, that they had been subject to a time limit when they were receiving welfare), 8 percent said they were not, and 5 percent said they did not know.[10] Almost all who said they were not subject to a time limit were not currently receiving welfare (not shown in the figure); these individuals may have left welfare many months prior to the interview and forgotten about the time limit.

AFDC group members should not have heard the time-limit message. And yet, as Figure 2.2 shows, 29 percent of AFDC group respondents to the two-year client survey said that they were subject to a time limit (although one-fourth of them did not know how long the limit was). As discussed in Chapter 1, the fact that some AFDC group members believed they were subject to a time limit means that the impact analysis probably understates the potential effect of FTP. Moreover, it is possible that this issue grew more serious over time, as WAGES was phased in in Escambia County (data from the four-year client survey show that the fraction of AFDC group members who believed they were subject to a time limit increased slightly over time, to about 35 percent).[11]

3. How the time limit was presented. In interviews conducted by MDRC in the early months of FTP operations, many case managers and career advisors expressed skepticism or uncertainty about whether recipients' grants would actually be canceled at the time limit. Nevertheless, most workers reported that, in their interactions with participants, they did not stress the possibility that extensions might be granted. The top panel of Figure 2.3 shows that only 15 percent of case managers and 10 percent of career advisors reported on the staff survey that they would be "very likely" to tell a new FTP client about extensions of the time limit. Despite this, however, most workers reported on the survey that "few" clients believed that their grants would actually be canceled at the time limit.

Results from the two-year client survey, shown in the bottom panel of Figure 2.3, partly support the staff's perceptions. Only 19 percent of FTP group respondents said that staff stressed the point that people would get an extension if they reached the time limit without finding a job. But less than half the respondents believed that "nearly everyone" who reached the time limit would have their benefits canceled. Just over 40 percent believed that "only some" of those who reached the limit would be cut off, and 12 percent believed that "almost none" of them would be

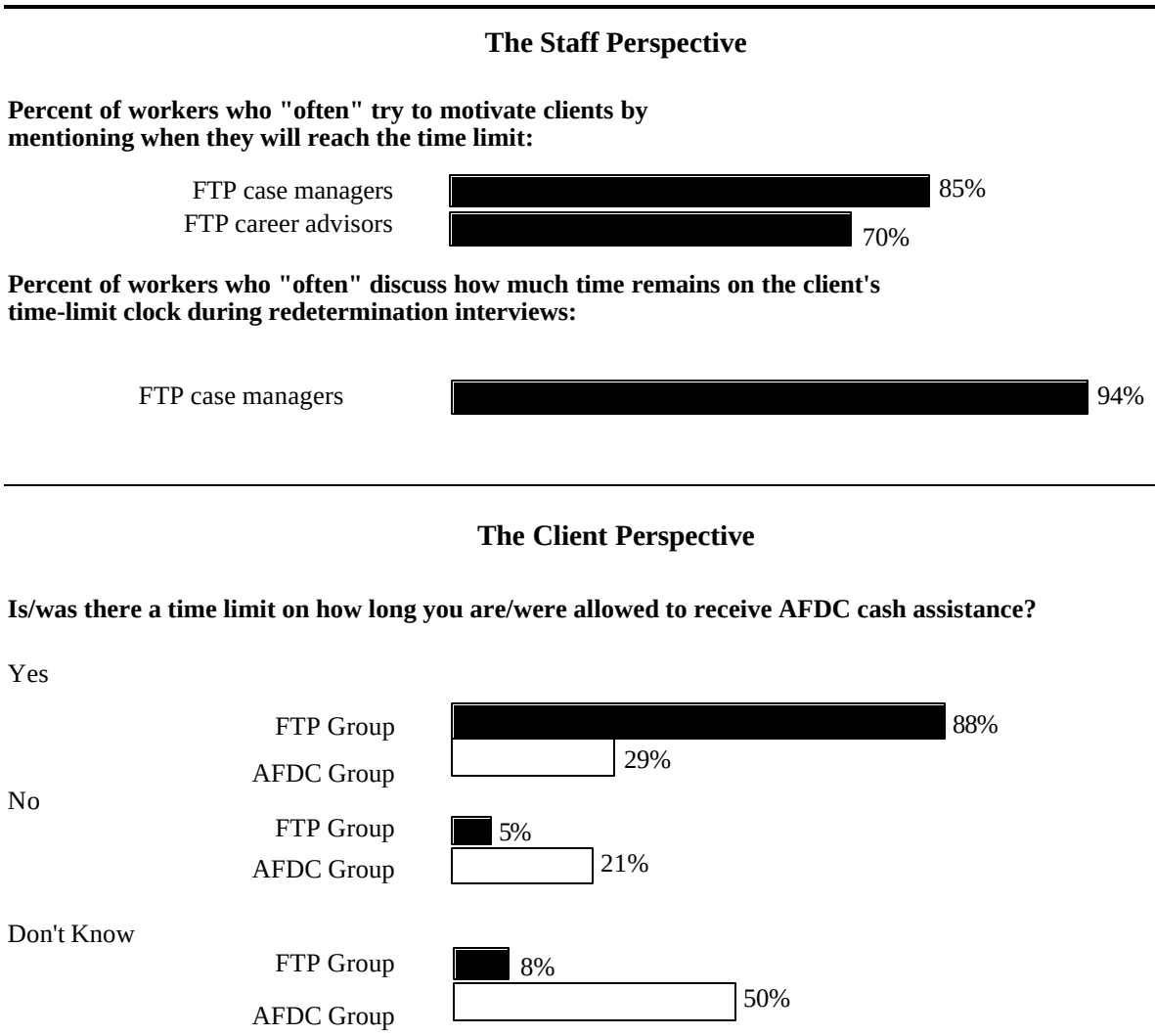
[10]This question was asked only of respondents who reported that they had ever received welfare since their random assignment date — about 80 percent of all respondents.

[11]In fact, some AFDC group members may have become subject to the time limit — they may have moved to another county and begun to receive cash assistance at some point after WAGES was implemented.

Figure 2.2

Florida's Family Transition Program

Transmitting Information About the Time Limit



SOURCES: MDRC calculations from the staff survey (top panel) and the two-year client survey (bottom panel).

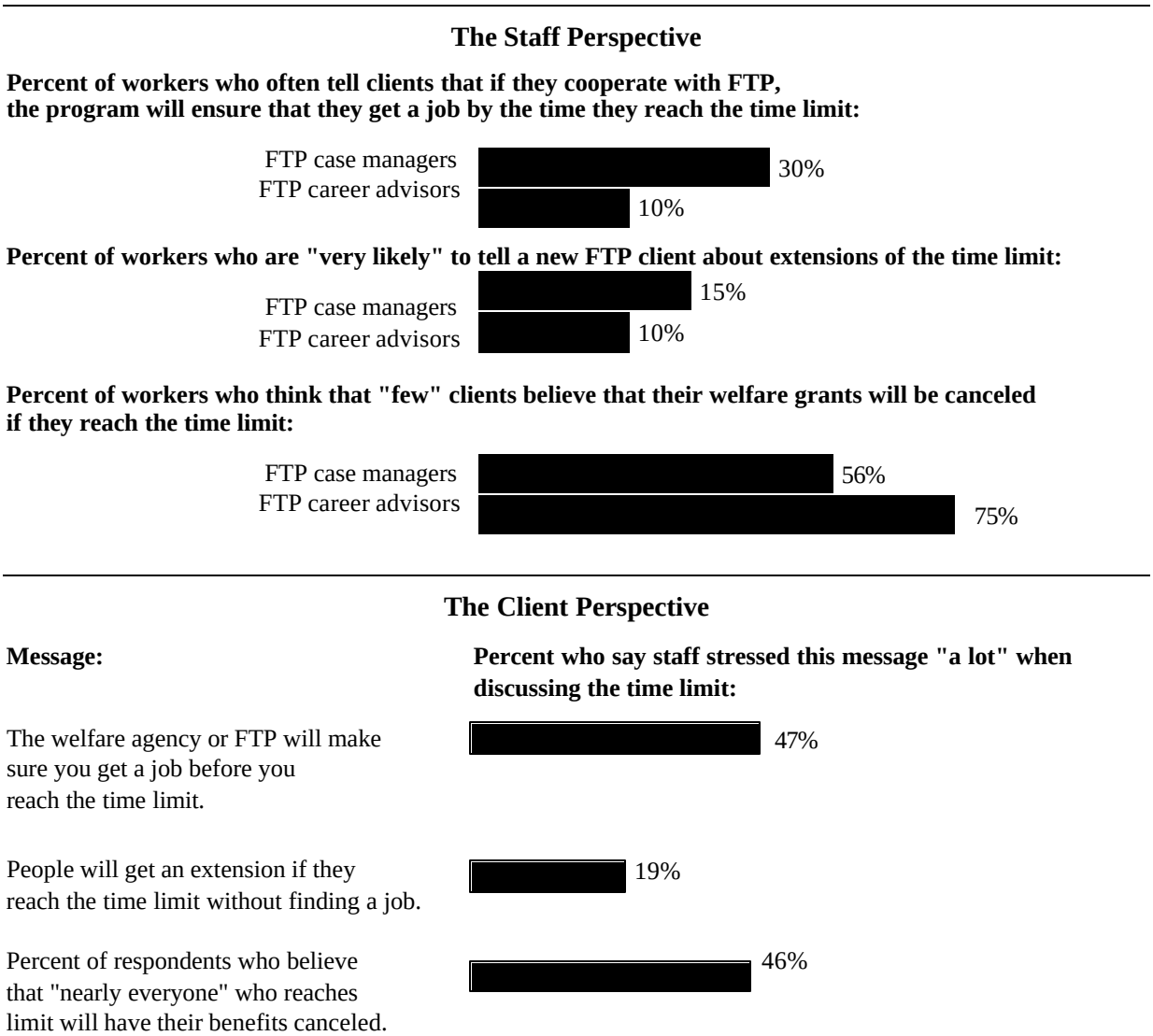
NOTES: The questions on the staff surveys are mostly constructed in the form of 7-point scales. Respondents were asked to circle the number that came closest to describing their view. In discussing these results, this figure generally combines respondents who circled numbers 1, 2, or 3 and those who circled 5, 6, or 7. For example, the first bar means that 85 percent of FTP case managers circled 5, 6, or 7 on a scale running from "never" (1) to "often" (7).

The bottom panel reflects the responses of FTP and AFDC group respondents who had received cash assistance since random assignment.

Figure 2.3

Florida's Family Transition Program

How the Time Limit Was Presented



SOURCES: MDRC calculations from the staff survey (top panel) and the two-year client survey (bottom panel).

NOTES: The questions on the staff surveys are mostly constructed in the form of 7-point scales. Respondents were asked to circle the number that came closest to describing their view. In discussing these results, this figure generally combines respondents who circled numbers 1, 2, or 3 and those who circled 5, 6, or 7. For example, the first bar means that 30 percent of FTP case managers circled 5, 6, or 7 on a scale ranging from "never" (1) to "often" (7).

The bottom panel reflects the responses of FTP group respondents who reported that they were subject to a time limit.

terminated. Further analysis (not shown in the figure) found that respondents who had heard about someone whose benefits were canceled were much more likely to believe that nearly everyone who reached the limit would lose her grant. However — perhaps because only a small number of people had reached the time limit when the two-year survey was administered — only about one-fifth of survey respondents said they had heard about or knew someone whose benefits had been canceled.[12]

In addition to deemphasizing extensions, many workers also did not stress the message that FTP would provide jobs to people who cooperated with the program but failed to find a job on their own. As discussed further below, the program's official policy — imposed by the federal waiver process — was that FTP would provide a "work opportunity" to each participant who "diligently completed her employment plan" but was unable to find a job before reaching the time limit. However, this policy did not appear in written materials describing the program, nor was it stressed in staff training materials. Indeed, the specific policy was not even developed until well into 1995.[13] The lack of emphasis in part reflected administrators' reluctance to send a message that FTP would "guarantee" a job to anyone who could not find one. They feared that this would reduce participants' motivation to find jobs on their own.

On the staff survey (which was administered *after* participants began reaching the time limit), fewer than half of FTP case managers agreed with the statement "FTP's policy is to provide a job to everyone who complies with the program, but is unable to find a job on their own by the time they reach the time limit." The top panel of Figure 2.3 shows that only one-third said that they stressed this message to participants. The bottom panel of Figure 2.3 shows that a little under half (47 percent) of the FTP group respondents to the two-year client survey said that staff assured them that FTP would make sure they got a job by the time they reached the time limit.

4. Quick employment versus skill-building. Although the time limit was strongly emphasized, FTP's message during the early operational period did not necessarily stress the importance of leaving welfare quickly in order to "bank" or "save" the months remaining under the time limit. Rather, the message focused heavily on the array of skill-building services available through FTP and on the importance of achieving *long-term* self-sufficiency. In observing orientation sessions and individual discussions between staff and participants, MDRC found that staff tended to accentuate the positive (FTP's opportunities), particularly when people first entered the program. The top panel of Figure 2.4 shows only about half of FTP case managers and career advisors reported, on the staff survey, that they often urged participants to "bank" their available months.

On the two-year client survey, respondents were asked how much staff had stressed various messages when discussing the time limit. The bottom panel of Figure 2.4 shows that 72 percent of respondents said that staff urged them to use their time on welfare to get education and training. A somewhat smaller fraction, 59 percent, said that staff urged them to get off welfare as

[12]By the four-year point, about one-third of respondents said they had heard about or knew someone whose benefits had been canceled at the time limit, and 59 percent said they believed "nearly everyone" who reached the time limit had her benefits canceled.

[13]The federal government required Florida to develop a plan for transitional employment by the seventh quarter of FTP's operation.

Figure 2.4

Florida's Family Transition Program

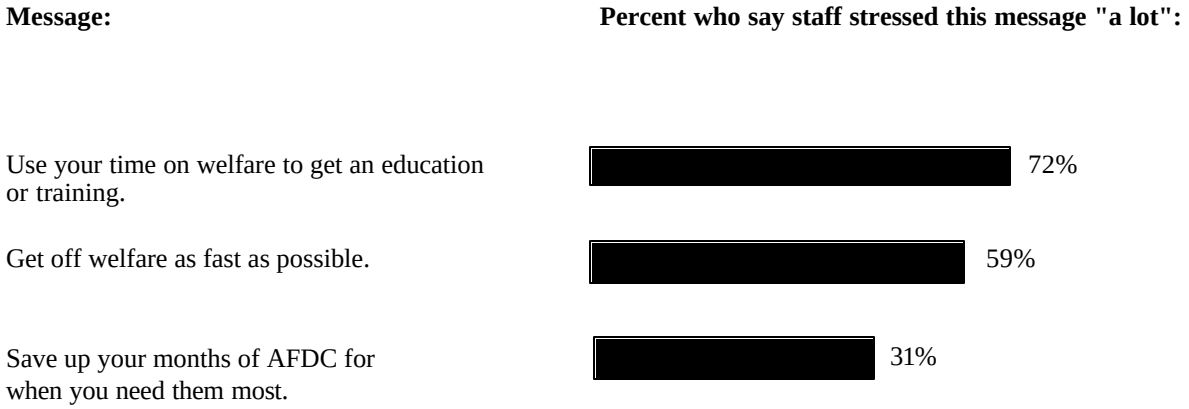
Quick Employment Versus Skill-Building

The Staff Perspective

Percent of workers who "often" advise clients to go off welfare so that they can save the months that are allowed under the time limit for when they need them most:

Percent of workers who "often" advise clients to avoid reaching the time limit (for example, by taking a job they might not otherwise take):

The Client Perspective



SOURCES: MDRC calculations from the staff survey (top panel) and the two-year client survey (bottom panel).

NOTES: The questions on the staff surveys are mostly constructed in the form of 7-point scales. Respondents were asked to circle the number that came closest to describing their view. In discussing these results, this figure generally combines respondents who circled numbers 1, 2, or 3 and those who circled 5, 6, or 7. For example, the first bar means that 48 percent of FTP case managers circled 5, 6, or 7 on a scale ranging from "never" (1) to "often" (7).

The bottom panel reflects the responses of FTP group respondents who reported that they were subject to a time limit.

quickly as possible. Only 31 percent said that staff strongly encouraged them to "save up months of AFDC for when you need them most."

Similarly, Figure 21, above, showed that 79 percent of FTP group members (compared with 51 percent of AFDC group members) said that staff urged them to get education or training. Sixty-one percent of FTP group members (and 33 percent of AFDC group members) felt that the staff urged them to move off welfare quickly, although this message was tempered by an emphasis on job quality: Only 39 percent of FTP group respondents (and 24 percent of AFDC group respondents) agreed that staff pushed them to work before they felt ready or before a good job came along.

As discussed further below, FTP's message in this area may have changed over time. Beginning in 1995, managers sought to make the program more employment-focused, to deemphasize longer-term skill-building activities, and to place more emphasis on the need to bank months. However, it is not clear to what extent this effort resulted in dramatic changes in program operations, nor is it clear how much any such changes affected the report sample.

5. The earned income disregard. Although FTP's enhanced earned income disregard was explained to participants, data from field research and the surveys suggest that it was not as central to the program message as were the time limit, education and training opportunities, support services, and other features. On the two-year client survey, only about one-third of FTP group respondents said that staff strongly emphasized the fact that FTP allowed them to keep more of their benefits if they went to work. Not surprisingly, relatively few people in either research group knew the details of the financial eligibility rules. Approximately 70 percent of respondents in each group could not estimate how much they could earn without losing eligibility for welfare.

The relative lack of emphasis on the disregard may be partly related to Florida's fairly low welfare grant levels. Even a generous earned income disregard cannot substantially raise the income of working recipients when the base grant is low. However, the lack of emphasis also may have reflected workers' ambivalence about whether participants would actually benefit from mixing work and welfare; each month during which a participant received even a small welfare grant would count toward the time limit. Many workers complained that they could not require participation in employment activities for participants who were working 30 hours per week in low-wage jobs and retaining a partial welfare grant (these individuals were technically exempt from further employment-related mandates). The staff felt that these individuals would use up their time without obtaining services to help them become self-sufficient.

In some cases, staff reported that they counseled recipients who were receiving small grants to leave welfare voluntarily in order to stop their time-limit clocks. In fact, some FTP policies were explicitly designed to encourage recipients to leave welfare even when their income was too low to make them ineligible for benefits. For example, Florida obtained federal waivers to extend transitional child care (TCC) eligibility to employed recipients who were eligible for cash assistance but opted not to receive it (under AFDC, recipients were eligible for TCC only if their case closed due to earned income).

B. Enhanced Case Management and Services

FTP sought to provide a wide range of services and supports designed to remove barriers to employment and self-sufficiency. These services were to be tied together by "intensive case management, focusing on the needs of individual families."[14]

1. Enhanced case management. A key prerequisite for intensive case management — small worker caseloads — was in place from the program's inception. Nevertheless, particularly during the early operational period, many case managers felt that they were unable to work closely enough with participants. Some workers said they found it difficult to balance eligibility work with broader, more proactive client assistance work; they felt that eligibility work, with its tight deadlines, tended to "crowd out" their broader role, and some felt an inherent conflict between the "helper" and "rule enforcer" roles. Others complained that the lack of an automated management information system for FTP led to increased paperwork, reducing the time available for working with participants.[15] Finally, while all the case managers had applied for the position, some staff had difficulty making the transition from the rule-bound, black-and-white world of eligibility work to the "fuzzier," more discretionary world of case management.

In part because of these frustrations, FTP was widely perceived as a high-pressure work environment. There was substantial turnover among case managers (and career advisors) throughout the period FTP operated, making it more difficult for staff to develop personalized relationships with participants (and with one another).[16]

Despite these concerns, the evidence clearly indicates that FTP delivered more personalized services than did AFDC. As shown in the top panel of Figure 2.5, FTP staff reported much more frequent contact with their clients than did AFDC workers: 81 percent of FTP case managers reported having at least monthly contact with the typical client, compared with 41 percent of traditional public assistance specialists. Similarly, FTP staff were much more likely to say that they tried to learn in depth about their client's situations and that they offered support and encouragement to clients.

Responses from the two-year client survey showed that a large majority of FTP group members felt that program staff gave them individual attention and were sincerely interested in helping them. For example, the bottom panel of Figure 2.5 shows that 73 percent of FTP group respondents agreed a little or agreed a lot that "staff took the time to get to know me and my particular situation." Only 42 percent of AFDC group respondents agreed with the statement.

2. Social and health services. In addition to the core employment services discussed below, FTP offered a range of social and health services designed to help remove barriers to employment. Many of these services were available to the AFDC group as well. However, because FTP had a relatively generous dedicated funding stream, the program was able to purchase pro-

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[14]Florida federal waiver application.

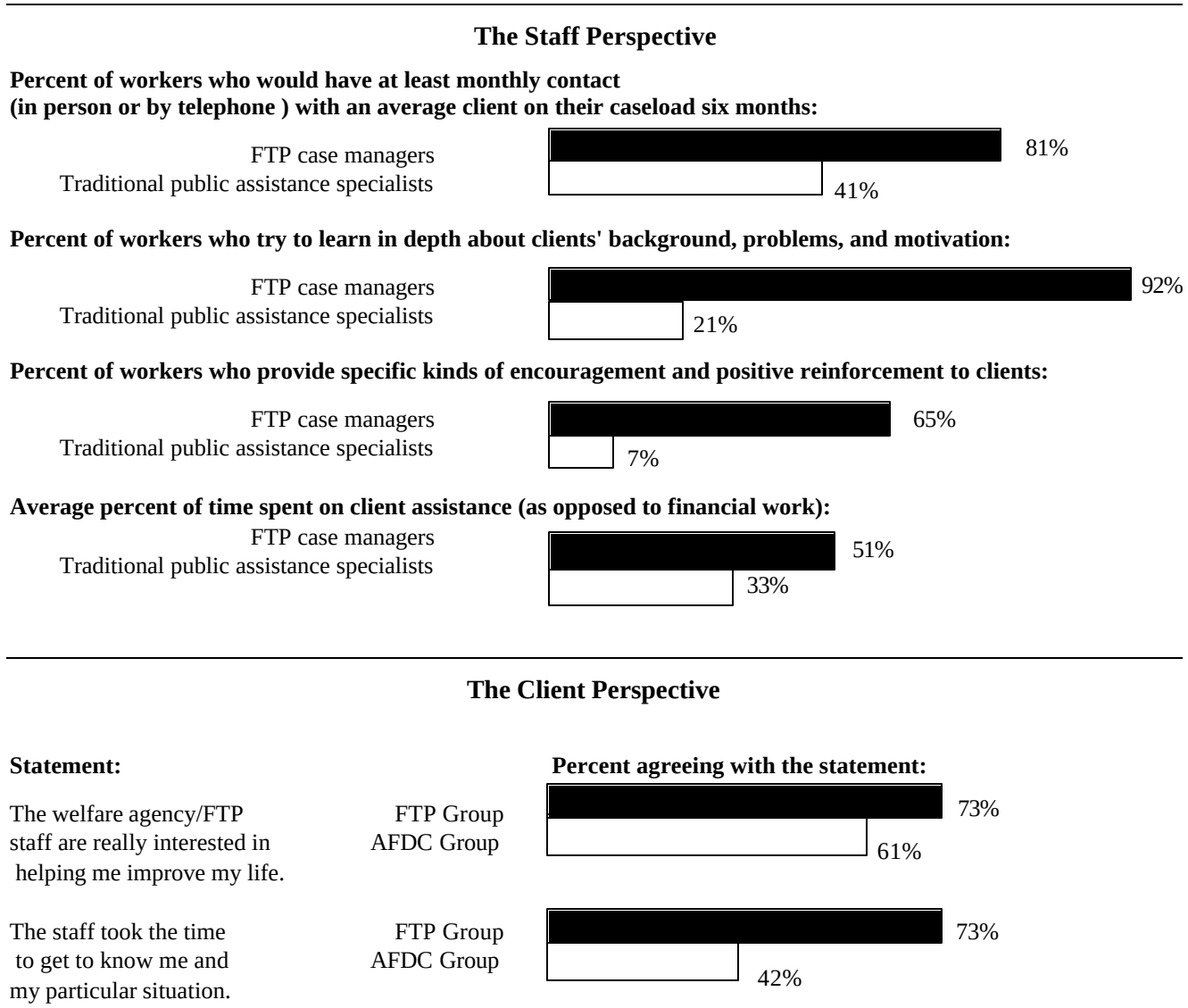
[15]For example, because the statewide benefits system was programmed to apply the AFDC earnings rules (prior to the implementation of WAGES), FTP case managers needed to perform "workarounds" in order to calculate the grants of working FTP participants.

[16]Of the 26 case managers listed in the program's August 1995 monthly report, only 12 were among the 24 case managers on-board in June 1997.

Figure 2.5

Florida's Family Transition Program

Case Management in FTP and AFDC



SOURCES: MDRC calculations from the staff survey (top panel) and the two-year client survey (bottom panel).

NOTES: The questions on the staff surveys are mostly constructed in the form of 7-point scales. Respondents were asked to circle the number that came closest to describing their view. In discussing these results, this figure generally combines respondents who circled numbers 1, 2, or 3 and those who circled 5, 6, or 7. The second and third pairs of bars represent scales derived from several survey questions.

Results in the bottom panel reflect the percentage of respondents who agreed "a little" or "a lot" with each statement. These questions were asked of all respondents who reported that they had received cash assistance since random assignment.

gram slots or staff positions in other agencies to ensure that its participants had ready access to services, often within the program offices.

On the two-year client survey, about 28 percent of respondents said they had received health services from the FTP nurse, 10 percent reported receiving counseling or mental health services arranged by FTP, and 4 percent reported receiving substance abuse treatment or services. Because comparable data are not available for the AFDC group, it is impossible to determine whether FTP generated a net increase in the use of such services.

3. Support services. Both groups received assistance with child care and other expenses associated with employment or participation in employment-related activities, but these support services were enhanced for the FTP group.

The overall system of subsidized child care was the same for both groups. Parents could receive child care subsidies while employed or participating in employment-related activities while on welfare. After leaving welfare, employed parents could continue receiving subsidies via the transitional child care (TCC) program. After eligibility for TCC ended, parents could "roll over" into the general low-income child care program (this is a fiscal shift that is invisible to the parent, and local staff report that it functioned correctly).

A variety of child care arrangements were allowable, including child care centers, family child care homes, and "informal" providers such as relatives or neighbors. A local nonprofit organization was subcontracted to assist parents in finding and selecting a provider. The form of the subsidy depended on the provider: Centers or family child care homes that had contracts with the child care agency were paid directly. Parents using other providers could receive payment directly via vouchers. Parents were assessed a fee based on a sliding scale.

Child care assistance was enhanced for FTP in several ways:

- The contracted child care resource and referral agency placed child care counselors in the FTP offices. AFDC group members had to visit the agency's office to receive assistance.
- FTP had virtually unlimited funding for child care assistance, whereas the traditional program experienced some shortages early in the follow-up period (see below).
- FTP provided two years of transitional child care assistance to recipients leaving welfare for work, compared with the one year of assistance provided under AFDC.

In practice, however, only the first of these distinctions was critical. Funding shortages affected the AFDC group for only a brief period, and the TCC extension had a limited impact because parents in both groups could roll over into the low-income child care program when their TCC eligibility ended (in fact, no new children were accepted into the low-income child care program until such rollovers were accommodated).

There were more dramatic differences between groups in the provision of transportation assistance and ancillary services (for example, payments for books, uniforms, and work equipment). Funding

for such assistance was limited in the traditional PI program, and there was a cap on spending for each participant. Especially during the first year or two of operations, FTP paid for a wide variety of assistance, particularly involving transportation. For example, unlike traditional PI, FTP did not allow exemptions for recipients who lived in remote areas of the county without public transportation. As a result, FTP paid for daily taxi service to and from the program office for some participants who did not have cars. In a single month in early 1996, the program spent more than $30,000 on taxi fares. Similarly, FTP paid large sums for automobile repairs (more than $20,000 in the month noted above) and even paid driving-related fines in some cases (some participants had had their driver's licenses revoked and could not get them reinstated until fines were paid).[17] Eventually, managers concluded that spending on such items had grown out of control and was not consistent with an emphasis on teaching self-sufficiency. Thus, the criteria for such payments were tightened.

4. Child support enforcement. FTP intended to provide enhanced child support enforcement (CSE) services. It was assumed that participants facing a time limit would need special help establishing and enforcing child support awards in order to ensure a steady stream of income from the non-custodial parent. In practice, enhanced CSE services were not consistently provided. Initially, a CSE worker was dedicated to FTP, but the worker's caseload quickly grew too large to allow for truly enhanced services. Later, a full unit of CSE workers was stationed in the FTP offices, but this arrangement was only temporary. At other points, a CSE staff person served as a liaison with FTP but did not carry a caseload.

C. Employment-Related Services and Mandates

FTP sought to deliver an enhanced set of employment-related services. As discussed extensively above, it was quite difficult to achieve this objective during the start-up period. In site visits conducted in 1995, for example, staff reported that participants would probably have difficulty discerning a difference between the activities in FTP and in the traditional Project Independence program. At that point, staff reported that the main differences between the programs related to the stability of child care and support service funding in FTP and its closer linkages between career advisors and eligibility/case management staff. Over time, however, a variety of enhanced services were developed.

1. Types of employment services. FTP provided the same general types of employment-related services as were provided in traditional PI. However, with expanded funding, DLES was ultimately able to develop a number of specific enhancements (in addition, as noted earlier, career advisors in FTP had substantially lower caseloads than their counterparts who worked with the AFDC group). The main employment-related services included:

- **Job search.** FTP operated two group job search workshops (known as Employability Skills Workshops): a relatively brief "job-readiness" course for non-job-ready participants and a separate program for job-ready participants. The latter in-

[17] In the traditional PI program, public assistance specialists played almost no role in requesting or approving ancillary payments. In contrast, in FTP there was an agreement whereby career advisors agreed to pay for any expenses requested by the case manager. Some career advisors believed that case managers were far too liberal in approving such payments.

cluded a two-week classroom session focusing on job-seeking and job-holding skills and a two-week session in the local Jobs and Benefits office in which staff helped participants look for jobs. The traditional PI program operated a similar job club, and both programs also used individual job search, in which participants were required to make contact with a specific number of employers each week and report back to their career advisor. Finally, FTP provided very intensive, one-on-one job placement help to participants who were approaching the time limit and had not found employment, and it could offer special subsidies to employers who agreed to hire such clients.[18]

- **Education.** Both FTP and traditional PI assigned some participants — typically those who lacked a high school diploma or had very low literacy levels — to institutions in the community that provide remedial math and reading instruction and/or preparation for the General Educational Development (GED) certificate. In addition, DLES contracted with a local junior college to develop and staff computerized learning labs in the FTP service centers. Called Career Transition Centers (CTCs), the labs allowed FTP students to work at their own pace, and their proximity made it easy for staff to monitor participants' activities. (Post-secondary education was not heavily stressed for members of either research group, but some individuals who enrolled in college on their own had this activity approved by DLES.)

- **Training.** Both programs referred participants to classroom-based occupational training programs operated by junior colleges and other institutions. In addition, DLES worked with local employers and training providers to establish special short-term training programs for FTP participants facing time limits. These programs were closely linked to particular industries or employers to ensure that the training was relevant and likely to lead to employment. In some cases, graduates of training programs moved directly into on-the-job training (OJT) positions with the employers who helped design the programs.[19] Training courses included machining, office supervision, and Certified Nurse Assistant courses.

- **Unpaid work experience.** Both FTP and traditional PI placed some participants in unpaid positions, usually with public or nonprofit agencies. This activity was particularly important in FTP because the Family Transition Act stipulated that "job-ready" FTP participants were to participate in workfare if they did not find employment after three weeks of job search. The program contracted with Escambia County to place a workfare coordinator on-site in each FTP office.

[18]For participants considered hard to place, FTP could offer employers up to 70 percent of the participant's annual welfare grant as a hiring bonus or wage subsidy.

[19]Under OJT arrangements, the employer typically receives a public subsidy equal to as much as half the employee's wages during an initial training period lasting three to six months.

- **Assessment.** Both FTP and PI referred some participants for vocational assessments to identify their aptitudes and interests. But FTP offered a broader range of assessments, including psychosocial assessments provided by a local mental health facility. Assessments were also conducted using special computer software in the CTCs.

Finally, FTP participants also had access to special workshops — including a two-week course called Survival Skills for Women, stressing life skills, self-esteem, and other issues — and a separate course in parenting skills.

2. Participation in employment services. Employment programs for welfare recipients use different strategies. One key distinction involves the first activity to which participants are assigned. Some programs — commonly known as "work first" models — adopt a strong focus on immediate job placement, initially assigning all or nearly all participants to job search activities. Others use of mix of initial activities: Some participants are required to start with job search, while others begin with education or training activities designed to build their skills and employability. Within the latter category, some programs maintain a strong emphasis on employment — skill-building activities tend to be relatively brief and focused on the goal of job placement — while others are more focused on building skills per se.

Both PI and FTP used a mix of initial activities: "Job-ready" participants with higher levels of education or recent work history were required to begin with job search, while others usually began with an assessment and then were often assigned to education or training.

Particularly during its early months of operation, however, FTP adopted a relatively narrow definition of job-readiness, and it assigned a substantial proportion of participants to up-front education or training activities. Job-readiness was defined more broadly in the traditional PI program, resulting in a greater emphasis on up-front job search.[20]

Local managers noted that the abundance of resources and the focus on "self-sufficiency" led them and their staff to believe that FTP should place a heavy emphasis on education and training. Clearly, given the time limit, the skill-building activities were not intended to be very lengthy, and the program always maintained a strong focus on employment.

There was no fixed sequence of activities for non-job-ready participants. The mix of assignments was individualized and, according to staff, often driven by the participants' preferences. However, in an attempt to meet a 30-hour-per-week participation requirement, staff often assigned participants to more than one activity at a time. For example, many participants with low reading and math levels were assigned both to basic education in one of the CTCs and to a part-time workfare position.

As discussed earlier, over time, FTP managers sought to shift toward a more employment-focused approach. Education and training were never eliminated, but staff were urged to focus more on

[20]Under PI, participants were considered job-ready if they had been employed for at least 12 of the previous 24 months *or* if they had a high school diploma or equivalent. Under FTP, participants were considered job-ready if they had been employed for at least 12 of the previous 24 months *and* had a diploma or GED *and* a literacy level of at least grade 10.9.

shorter-term activities and to increase assignments to workfare. It is not clear how much this new philosophy affected activity assignment patterns; interviews and the staff survey results indicate that some career advisors did not agree with the new approach.

Table 2.1 shows the rates and amounts of participation in employment-related activities for both research groups within four years after random assignment. These data are drawn from the two-year and four-year client surveys and thus are self-reported; they include both activities provided by FTP and PI and services that individuals obtained on their own (for example, after leaving welfare). The left-hand panel shows results for the first two years following random assignment, the middle panel focuses on years 3 and 4, and the right-hand panel includes all four years.

Overall, about 80 percent of the FTP group and 60 percent of the AFDC group reported participating in at least one employment-related activity within the four years. These data show that FTP increased participation levels, but the relatively high rates for the AFDC group reflect the fact that the evaluation compared FTP with an existing welfare-to-work program, not a "no service" control group.

The participation data illustrate FTP's mixed strategy. FTP generated significant increases in participation in all categories of activities: job search activities (especially group job search), classroom-based education and training (basic education and vocational training), and on-the-job training. The only exception is post-secondary education, which was not stressed. As expected, virtually all of the impact on participation was in years 1 and 2, when a substantial fraction of the FTP group was still receiving cash assistance. On average, the FTP group participated in activities for a total of 7.6 months, compared with just under 5 months for the AFDC group.

Although not shown in the table, FTP also increased the proportion of people who obtained a trade license, probably a result of FTP's special vocational training programs (described above). At the point of the two-year client survey interview, 33 percent of FTP group respondents reported having a trade license, compared with 25 percent for the AFDC group (the difference had narrowed somewhat by the four-year interview but was still statistically significant).[21]

Several factors explain the higher overall rates of participation in FTP. First, AFDC group members with a child under age 3 were not required to participate in Project Independence, whereas FTP exempted only those with a child under 6 months old. Second, with more resources for staff, FTP was better able to monitor participation and enforce its mandates (see below). Third, early in the follow-up period, the traditional PI program experienced sporadic shortages in funding for child care and/or support services and was briefly forced to stop enrolling new participants. No such shortfalls occurred in FTP.

That said, data collected early in the study indicated that there were often delays in placing FTP participants into employment-related activities, particularly during the start-up months. Largely attributable to the operational difficulties discussed earlier, such delays have particularly

[21]FTP also increased the proportion of people with a GED, but it slightly decreased the proportion with a high school diploma.

Table 2.1

Florida's Family Transition Program

Self-Reported Rates and Amounts of Participation in Employment-Related Activities

Activity Measure (%)	Years 1 and 2 FTP Group	Years 1 and 2 AFDC Group	Years 1 and 2 Difference	Years 3 and 4 FTP Group	Years 3 and 4 AFDC Group	Years 3 and 4 Difference	Years 1 to 4 FTP Group	Years 1 to 4 AFDC Group	Years 1 to 4 Difference
Participated in any employment-related activity	69.9	42.4	27.5 ***	37.7	38.0	-0.3	80.1	59.7	20.4 ***
Participated in:									
Job club/group search	32.4	12.8	19.6 ***	9.9	9.3	0.6	37.1	20.2	17.0 ***
Individual job search	33.5	20.7	12.7 ***	10.7	12.7	-2.0	40.6	32.3	8.3 **
Basic education[a]	19.4	10.2	9.2 ***	6.3	7.4	-1.1	23.4	15.2	8.2 **
Vocational education/training[b]	16.1	8.2	7.8 ***	7.6	6.2	1.3	21.9	12.2	9.7 ***
Post-secondary education[c]	18.7	14.8	3.9	8.8	6.8	2.1	20.3	15.6	4.7
On-the-job training (OJT)	9.4	3.0	6.4 ***	2.6	3.7	-1.1	11.3	6.1	5.2 **
Unpaid work experience	13.4	5.6	7.8 ***	5.1	3.9	1.2	16.0	11.0	5.0 *
Other	3.3	2.0	1.4	5.4	4.3	1.1	6.6	6.5	0.2
Average number of months in any activity	5.6	3.0	2.6 ***	2.7	2.5	0.2	7.6	4.9	2.7 ***
Sample size[d]	299	304		860	869		256	263	

SOURCE: MDRC calculations from the two-year and four-year client surveys.

NOTES: A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]This category includes adult basic eductation, GED preparation, and English as a Second Language.

[b]Training for a specific job or occupation.

[c]Courses for college credit at a two- or four-year college.

[d]The sample for years 1 and 2 includes all respondents to the two-year client survey. The sample for years 3 and 4 includes all respondents to the four-year client survey. The sample for years 1 to 4 includes those who responded to both the two-year and the four-year surveys.

serious implications in the context of a time limit. In addition, despite the substantial increase in participation rates, on the two-year client survey FTP group respondents were only modestly more likely than AFDC group respondents to agree with the statement "I received help that improved my long-term chances of getting or keeping a job" (59 percent of FTP group respondents agreed a little or agreed a lot, compared with 49 percent of the AFDC group).[22] It is not clear that FTP participants necessarily perceived the program's employment services to be enhanced.

3. Enforcement and sanctioning. The low client-to-staff ratios in FTP and the close linkages between career advisors and case managers increased the monitoring and enforcement of participation requirements. On the staff survey, two-thirds of FTP case managers, compared with one-third of traditional public assistance specialists, reported that participants were monitored "very closely." Similarly, 90 percent of FTP career advisors (compared with 40 percent of their counterparts in the traditional PI program) said they would send a noncompliance warning letter to a participant within one week of learning that the individual had stopped attending an assigned activity.

Tight monitoring and demanding activity schedules led to high rates of sanctioning in FTP. Data collected from program case files in 1996 indicated that 31 percent of FTP group members were sanctioned within 18 months after random assignment. The comparable figure for the AFDC group was 7 percent. Data collected in 1997, covering a slightly longer follow-up period and a somewhat different group of people, showed quite similar sanctioning rates: 34 percent for the FTP group and 11 percent for the AFDC group.[23]

At the same time, FTP staff frequently complained that sanctions were not sufficient to induce participants to comply with program rules. For the first three years of implementation, sanctions in both FTP and AFDC involved removing the noncompliant individual (that is, the parent) from the grant calculation, resulting in a somewhat lower benefit amount. The family's Food Stamp benefits would often increase, reducing the net impact of the sanction.

Initially, there were procedural changes designed to hasten the imposition of the sanction once noncompliance was confirmed. Then, beginning in mid-1997, both FTP and AFDC adopted the WAGES sanctioning policy, which can result in cancellation of the entire cash grant and Food Stamp benefit in response to repeated noncompliance. Under WAGES, the first time the client is noncompliant, her cash assistance case is closed until she complies; the second instance closes both the cash and the Food Stamps cases until the client complies for 30 days; and the third instance closes both the cash and the Food Stamps cases for at least three months. Although substantially tougher than the previous policy, the WAGES rules did not take effect until two-and-a-half to three years after the report sample enrolled in FTP; many of them were off welfare by that time. Thus, MDRC found that only about 1 percent of the report sample received a full-family sanction between February and June 1998.

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[22]The percentage who strongly agreed was identical for the two groups — 33 percent.

[23]On the four-year client survey, about one-third of AFDC group respondents (and a similar proportion of FTP group respondents) indicated that they had been sanctioned at least once since their date of random assignment. The AFDC group sanction rate may have increased over time because members of that group were more likely to remain on welfare.

The four-year client survey targeted a set of questions to respondents who said they had been sanctioned. Overall, nearly three-fourths of them agreed that they had violated the rule they were accused of violating. Of those who agreed, nearly one-fourth reported that transportation problems had caused them to be noncompliant. About 15 percent said they were ill or incapacited, and a similar number said they thought that the rule they had violated was unfair.

D. The Time Limit

The data presented earlier indicate that the time-limit message was strongly communicated to FTP participants. This section discusses the implementation of the time limit itself.

1. How many people reached the time limit? Figure 2.6 examines how quickly FTP group members accumulated months of benefit receipt and reached the time limit.

The top panel focuses on sample members with a 24-month time limit; the thin line shows the percentage who accumulated 24 months of benefits, by the number of months elapsed since random assignment. Only 8 percent of the people with a 24-month time limit received benefits for 24 consecutive months, and only 16 percent received 24 months of benefits within four years after random assignment. The fairly flat slope of the line indicates that relatively few people left welfare and then returned and accumulated 24 months of benefits. Table 2.2 shows the distribution of months of benefit receipt for the sample members with a 24-month time limit. It shows, for example, that 75 percent of the people in this group either never received cash assistance or accumulated 20 or fewer months of benefits in the four-year follow-up period.

The thick line in the top panel of Figure 2.6 shows that 13 percent of those with a 24-month time limit reached the limit within four years. The difference between the two lines represents the percentage of people who received 24 months of benefits but did not receive 24 *countable* months. As discussed further below, this means that some of their months of benefit receipt did not count toward the time limit, probably because they received an exemption or because they moved and received benefits in a county that did not operate FTP.

The middle panel of Figure 2.6 focuses on those with a 36-month time limit. As expected, this more disadvantaged group accumulated months of benefit receipt somewhat more quickly. Nevertheless, only 18 percent of them received benefits for 36 consecutive months. By the end of the four-year follow-up period, 29 percent had accumulated 36 months of benefits, and 18 percent had reached the time limit. The two lines are further apart for the 36-month group than for the 24-month group, indicating that the 36-month group was more likely to receive exemptions that stopped their time-limit clock. The bottom panel of Table 2.2 shows how many months of benefits this group received during the follow-up period. Just over 40 percent received more than 30 months of benefits.

Finally, the bottom panel of Figure 2.6 focuses on the entire report sample. By the end of the four-year follow-up, 23 percent had received at least as many months as their time-limit allowed, and 15 percent had reached the limit.[24]

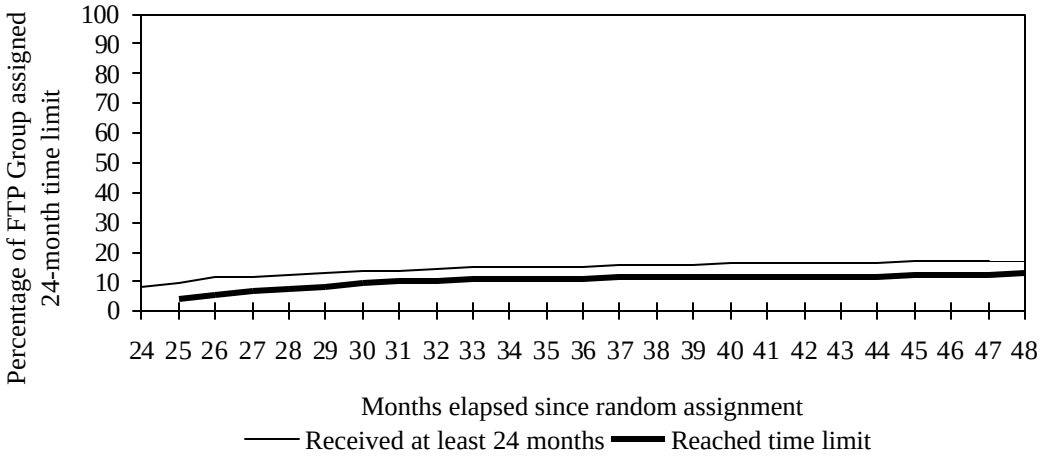
[24]The 15 percent figure reflects the proportion of the FTP group who reached the time limit within four years of random assignment. Overall, about 17 percent of the FTP group (237 people) reached the time limit by June 1999, the last date for which data are available. This includes a small number of people who reached the time limit more than four years after their random assignment date.

Figure 2.6

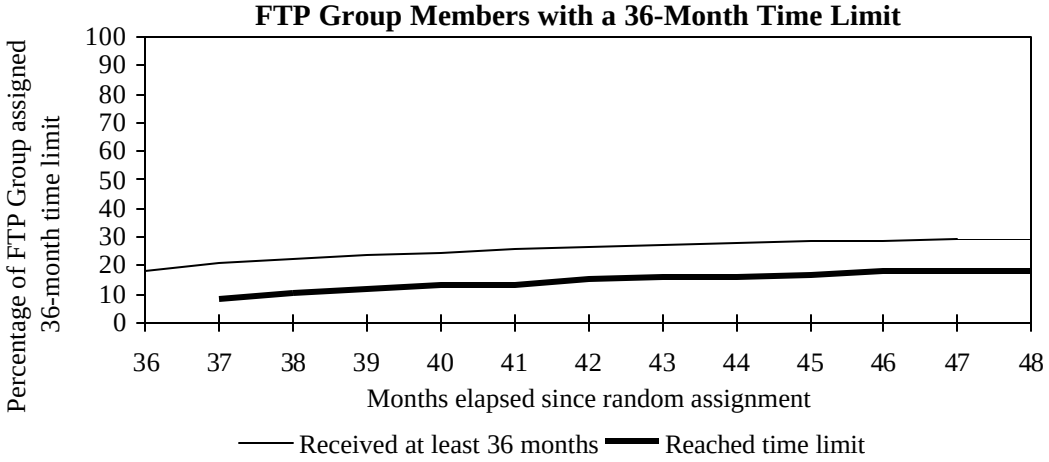
Florida's Family Transition Program

Percentage of the FTP Group Who Received at Least 24 or 36 Months of AFDC/TANF and Percentage Who Reached the Time Limit, by Number of Months Elapsed Since Random Assignment

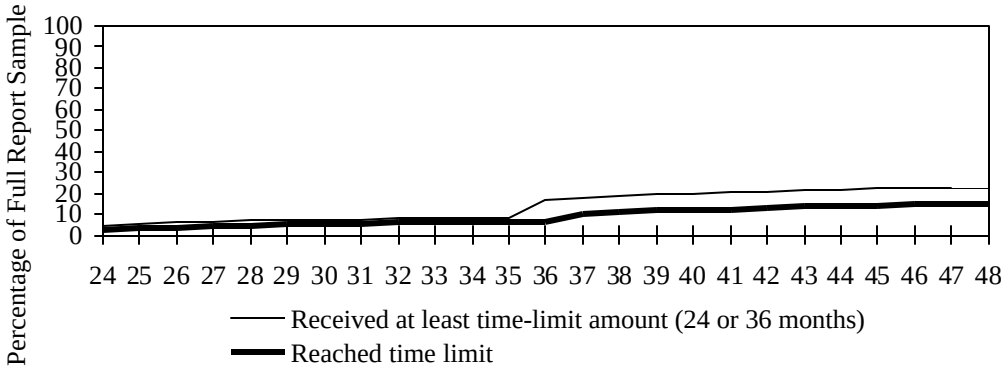
FTP Group Members with a 24-Month Time Limit



FTP Group Members with a 36-Month Time Limit



Full FTP Group



SOURCES: MDRC calculations from Florida AFDC/TANF records and FTP data.

Table 2.2

Florida's Family Transition Program

Distribution of Months of AFDC/TANF Receipt for the FTP Group Within Four Years of Random Assignment, by Time-Limit Group

Months of AFDC/TANF	Percent of Sample
FTP group members with a 24-month time limit (%)	
0	12.7
1 to 10	32.0
11 to 20	30.3
21 to 23	8.8
24 or more	16.1
Sample size	769
FTP group members with a 36-month time limit (%)	
0	1.9
1 to 10	13.4
11 to 20	18.1
21 to 30	26.3
31 to 35	13.1
36 or more	27.1
Sample size	634

SOURCES: MDRC calculations from Florida AFDC/TANF records and FTP data.

2. Time-limit safeguards. FTP policy included four different types of safeguards related to the time limit:

- **Exemptions.** Chapter 1 noted that staff sought to screen out individuals who met the criteria for an exemption from FTP before random assignment; these individuals remained in the traditional AFDC program and did not enter the study. However, as discussed above, recipients also could be granted exemptions *after* entering FTP, most often because a physician found them to be incapacitated for a lengthy period (more than 30 days). The recipient's time- limit clock was suspended while the exemption applied.

- **Extensions.** FTP policy allowed for up to two 4-month benefit extensions for a recipient who reached the time limit, had "substantially complied with [her] FTP plan," and for whom any of the following applied: (1) the state failed to provide sufficient services; (2) additional education or training would "contribute significantly to her immediate employment prospects"; or (3) the participant "encountered extraordinary difficulties in obtaining employment or completing her employability plan."

- **Partial benefit termination.** If full benefit termination was deemed "likely to result in a child's being placed into emergency shelter or foster care," then the child's portion of the benefit was to be continued and diverted to a third party to administer on the child's behalf.

- **Transitional employment.** Under terms of the federal waiver, FTP was required to provide a public or private work opportunity to "each FTP participant who has diligently completed her self-sufficiency plan but has been unable to find employment at the end of the AFDC benefit time limit or who has become unemployed after becoming ineligible for benefits." The transitional jobs would "provide the opportunity for the participant to earn a salary . . . that is at least as great as the maximum AFDC grant for the family's household size, plus $90 per month." The waiver required the state to provide public jobs if no private jobs could be identified. (The transitional employment provision was not included in the Family Transition Act; it was imposed on the state as a condition of the federal waiver.)[25]

Clearly, the significance of these safeguards would hinge on how subjective terms such as "diligent" and "extraordinary" and "substantially" were defined in practice. As discussed in detail in earlier reports, FTP developed a complex, multistep process to review cases approaching the time limit. This process included an unusual body known as a Review Panel, which was composed of volunteers from the community. The panels were created in the Family Transition Act to "assist in reviewing the sufficiency of the department's delivery of enhanced FTP services and the progress of FTP participants."

[25]Florida canceled its waiver after PRWORA passed, but it continued to abide by its terms to avoid disrupting the evaluation.

The panels were required to "review every 9 months the cases of those participants who are failing to meet the requirements of their employability plans or to meet program requirements."[26]

Cases approaching the time limit were generally reviewed first by program staff roughly six months before they reached the limit. Those participants who, in the view of the staff, were noncompliant or failing to make progress were referred for a Review Panel hearing (participants were also referred to the panel at earlier points). An analysis conducted by MDRC found that a very large proportion of participants who were not employed six months before reaching the time limit were referred to the Review Panel. If the Review Panel recommended benefit termination (which it almost always did), the case was then reviewed by a child welfare worker, who could recommend that the children's portion of the grant be retained. These reviews were conducted using the participant's case file, records of previous involvement with the child welfare system, and, in some cases, discussions with FTP staff; they did not involve home visits. Finally, the district administrator for the Department of Children and Families signed off on all benefit terminations.

3. What happened when people reached the time limit? Despite the many safeguards and layers of review, only the first of the policies (exemptions) was applied in a significant number of cases. As shown in Figure 2.7, a total of 340 FTP group members in the report sample received at least as many months of benefits as their time limit allowed by June 1999 (that is, 139 people with a 24-month time limit received at least 24 months of benefits, and 201 people with a 36-month limit received at least 36 months).

Figure 2.7 shows that 103 (30 percent) of the 340 recipients who received at least 24 or 36 months of benefits did not actually reach the time limit. In most cases, this was because the recipient was granted an exemption that stopped her time-limit clock, at least temporarily (MDRC was unable to obtain data on the total number of FTP participants who were ever exempted). Interviews with staff suggest that some of these exemptions were granted as recipients approached the time limit and it became apparent that a health or emotional problem was making it difficult or impossible for them to find or hold a job. (Other recipients did not reach the time limit because they moved and began receiving benefits in another county that did not operate FTP.)

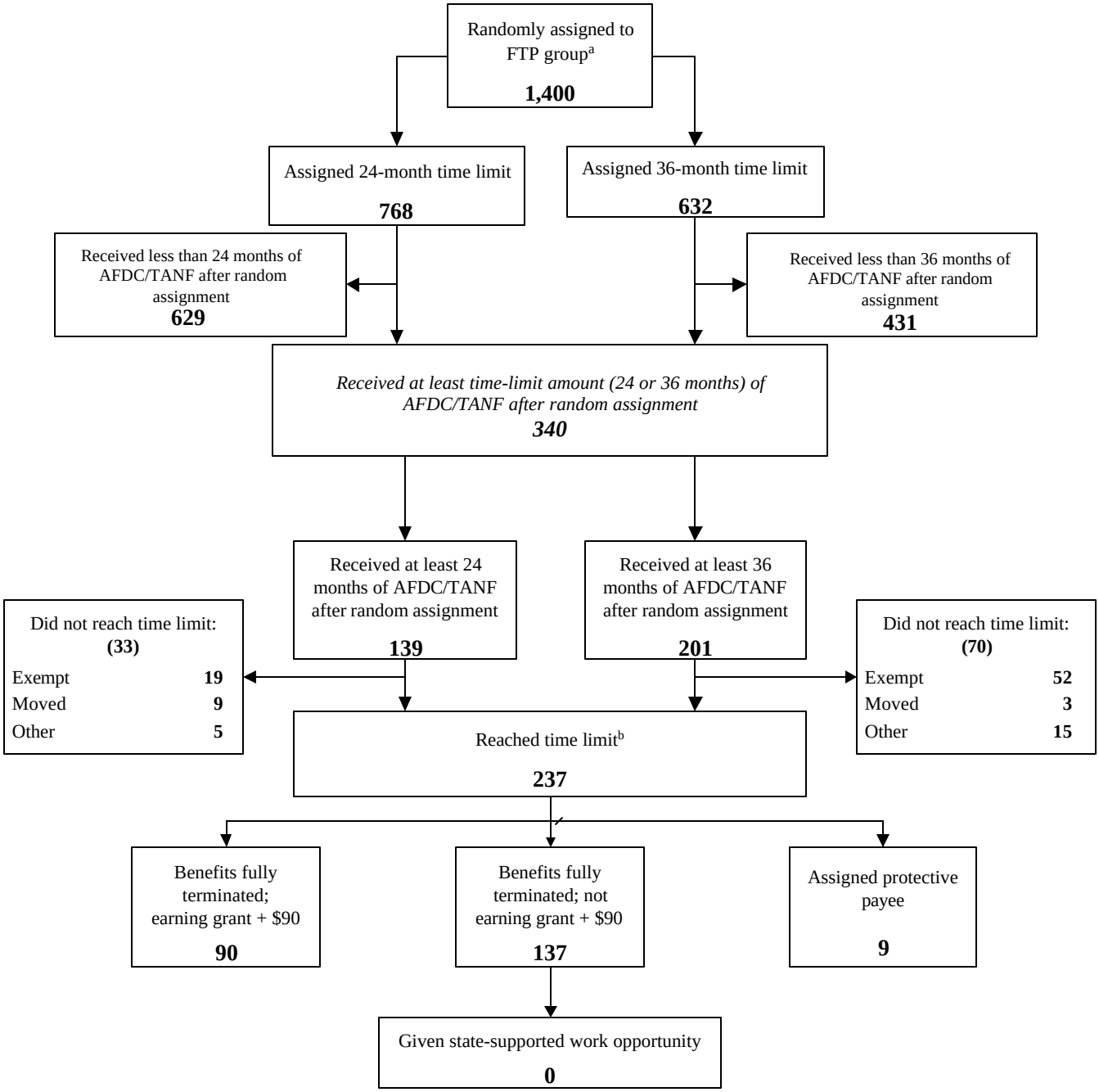
Figure 2.7 shows that recipients who actually reached the time limit — that is, received 24 or 36 *countable* months of benefits — were quite likely to have their entire grant canceled. Of the 237 people who reached the time limit, 227 (96 percent) had their grant fully canceled (a handful of these people received brief extensions before their grant was canceled). The children's

[26]The composition of the Review Panel was specified in the Family Transition Act. Each panel was required to have seven members and to include a member of the local health and human services board, a member of the private industry council, a current or former FTP participant, two members of the business community, one member of the education community, and one member at large.

Figure 2.7

Florida's Family Transition Program

Status as of June 1999 of Single-Parent FTP Group Members



SOURCES: MDRC calculations from Florida AFDC/TANF records and FTP data for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: [a]Five FTP group members are excluded from this analysis owing to missing data.

[b]Of this group, a small number of individuals were granted a four-month extension before their benefits were terminated. Due to data restrictions, the final termination status is unknown for one individual; thus the three bottom categories do not sum to 237.

portion of the benefit was retained in 9 cases. No one was granted a post-time-limit transitional job.[27]

As discussed more fully in the earlier reports, there are two keys reason for the small number of extensions and the absence of transitional jobs. First, a substantial proportion of those who reached the time limit (90 of 237, or 38 percent) were already employed and earning at least as much as a standard welfare grant plus $90, according to program records (the program referred to this as "grant plus $90"). Many of these participants would have become ineligible for welfare before reaching the time limit had it not been for FTP's enhanced earned income disregard. They were considered self-sufficient, and there was no need to give them an extension or a transitional job. (Although the federal waiver stated that transitional jobs would also be provided to individuals who became unemployed *after* reaching the time limit, this provision was not implemented in practice.)

Second, the vast majority of the 137 people who reached the time limit without a job paying at least grant plus $90 were deemed to have been noncompliant with FTP. This designation made them ineligible for a transitional job and very unlikely to receive an extension. "Noncompliance" was never precisely defined, and interviews with staff suggested that the distinction between failure to follow program rules and failure to make progress toward self-sufficiency became somewhat blurred in practice.

The small number of partial terminations resulted from the narrow criteria for applying that safeguard.[28] In order to recommend a protective payee, the child welfare worker reviewing the case had to conclude that a child would likely be pushed into emergency shelter or foster care *as a direct result of the benefit termination*. In some cases, the worker reported that she believed the child might end up in foster care eventually but that cancellation of the welfare grant would not cause this to occur; the problems existed while the family received welfare. In practice, when a participant had family in the area, the worker generally assumed that relatives could care for the child if necessary and, thus, that a protective payee was not needed.

E. Which Elements of FTP Mattered Most?

FTP was a multifaceted reform that combined a variety of services, incentives, and mandates. Although the research design does not allow the evaluation to systematically determine how individuals responded to each element of the program, several survey questions were designed to obtain some general data on this issue.

A series of survey questions asked FTP group members to assess how much their decisions about working had been affected by five particular features of FTP: employment and training services, support services, advice and assistance from staff, the financial incentives, and the time limit. Overall, 65 percent of respondents reported that their decisions had been affected "a lot" by at least one of these aspects of FTP.

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[27]The 237 people who reached the time limit includes only report sample members. The total number of people who reached FTP's time limit (including two-parent cases, cases that entered FTP during the pre-random assignment pilot, and cases randomly assigned after February 1995) was approximately 282.

[28]Cases that were considered compliant six months prior to reaching the time limit were not referred to the Review Panel and were not reviewed by the child welfare worker.

Figure 2.8 shows the results separately for each of the five program elements. The results show that the largest proportion of respondents — nearly half — said that their decisions had been strongly influenced by support services such as child care and transportation. The time limit appears to have been the least influential of these five program elements: Only slightly more than one-fourth of the respondents said that the limit had affected their decisions a lot, and half said it had not affected their decisions at all.

In a series of focus groups with FTP participants held in 1996, no participant mentioned the time limit as a factor influencing her behavior until the facilitator brought it up midway through the session. Although some participants subsequently expressed concern about the limit, most seemed much more focused on day-to-day concerns, such as problems with their children or difficulties meeting their monthly expenses.[29]

The total percentages in Figure 2.8 mask some important differences among subsets of the FTP group (not shown). For example, the time limit appears to have had a stronger affect on long-term welfare recipients' decisions — even though they were usually subject to a longer time limit. Among FTP group respondents who had received welfare for 5 to 10 years prior to random assignment, 39 percent said their work decisions had been affected a lot by the time limit, compared with 19 percent among those who had received welfare for less than a year.

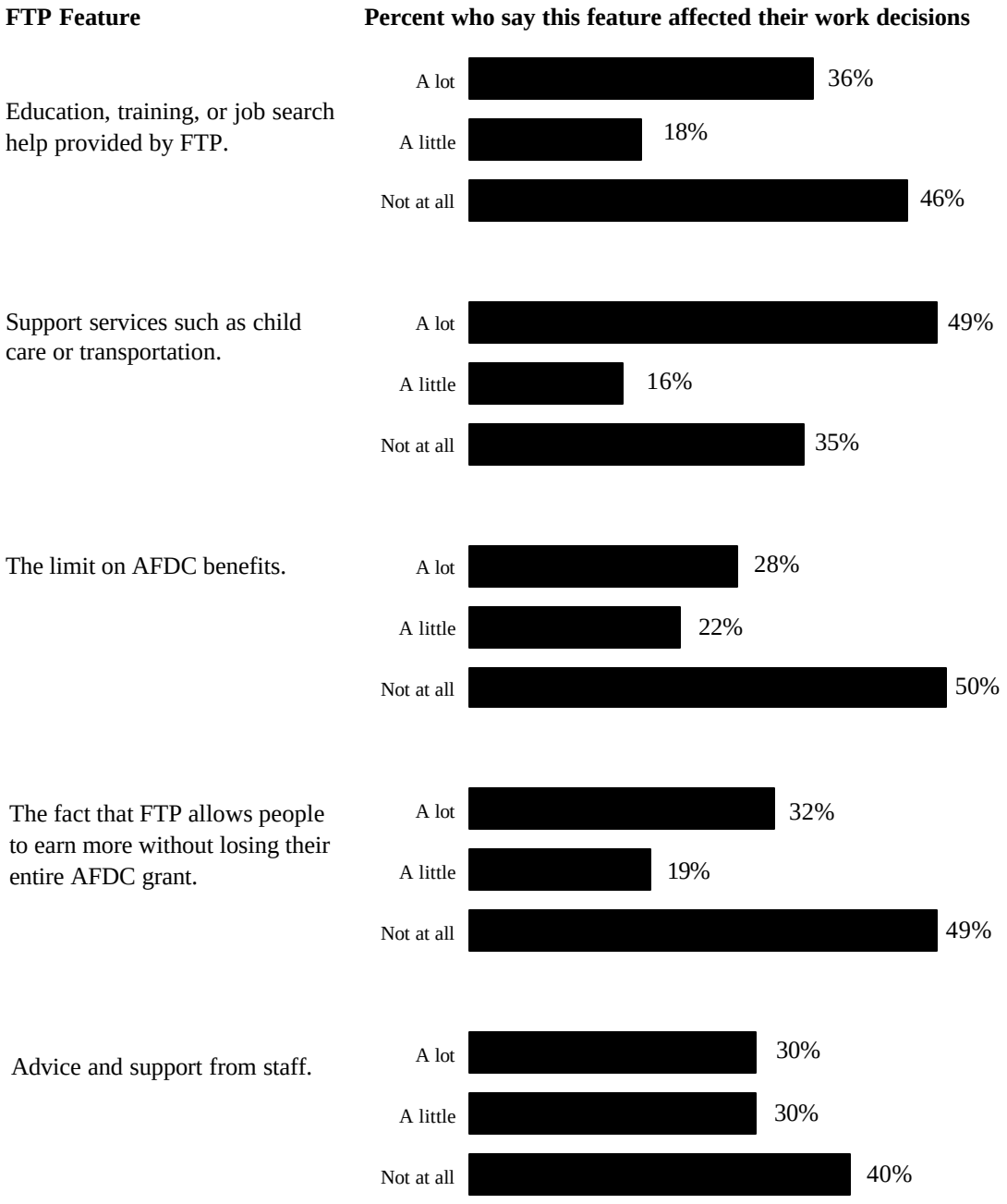
Another set of questions focused more specifically on FTP's time limit. These results are summarized in Figure 2.9. The strongest affect appears to be on education and training — more than half the respondents agreed or strongly agreed that the time limit had motivated them to start an education or training program earlier. In contrast, about 40 percent said the time limit caused them to go to work sooner, and only about 30 percent said they had left welfare earlier to try to save up months. This is largely consistent with the earlier discussion about participants' perception of the FTP message, which they saw as strongly focused on human capital investment.

[29]See Brown, Bloom, and Butler, 1997.

Figure 2.8

Florida's Family Transition Program

How Selected FTP Features Affected the Employment Decisions of FTP Group Members



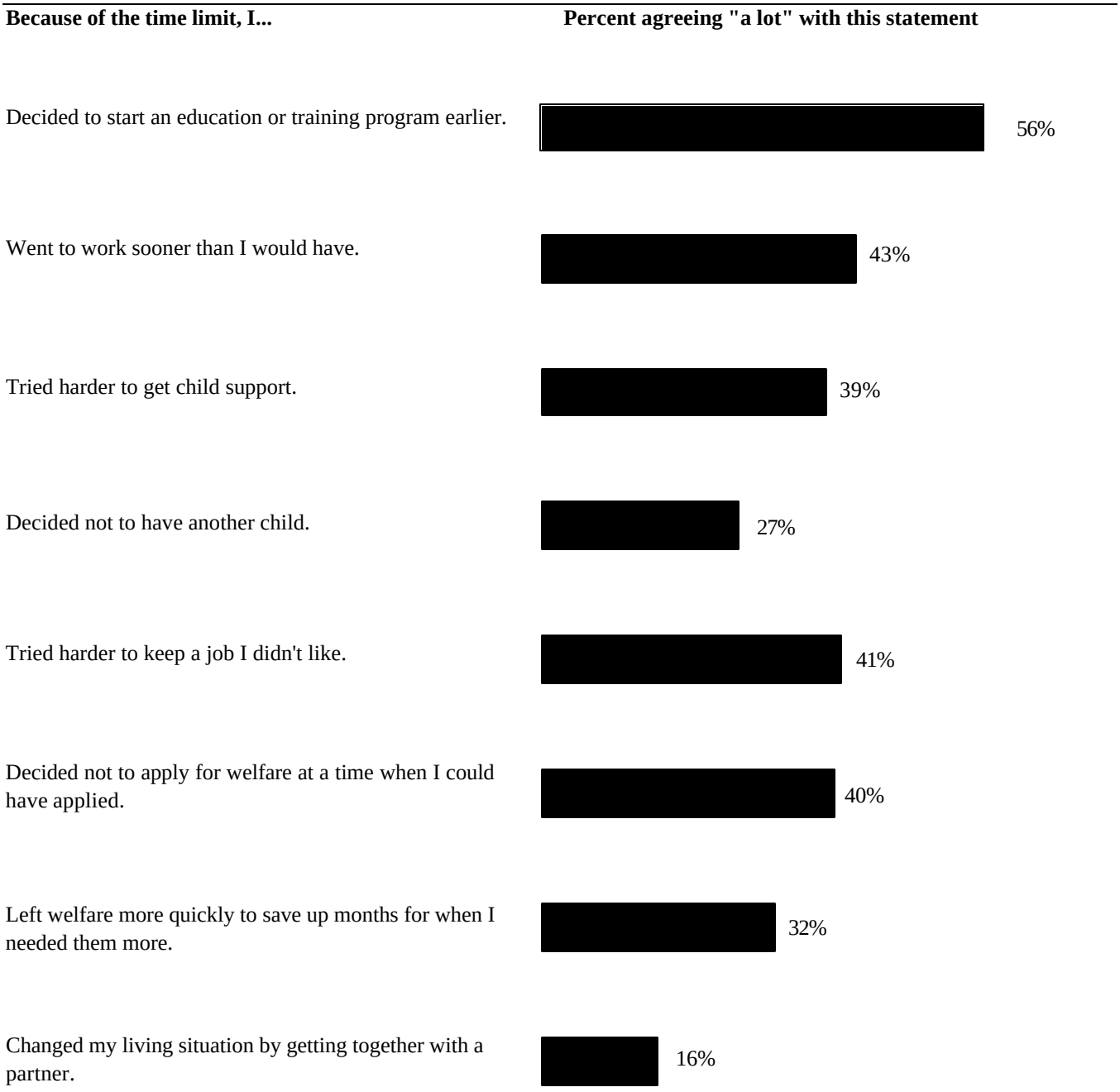
SOURCE: MDRC calculations from the two-year client survey.

NOTES: These questions were asked of all FTP group respondents (n=299). The actual sample size for individual questions presented in this figure may be less than the total sample size shown because not all respondents answered all questions.

Figure 2.9

Florida's Family Transition Program

The Effect of FTP's Time Limit on FTP Group Members



SOURCE: MDRC calculations from the two-year client survey data.

NOTES: The figures reflect the responses of the 210 FTP group respondents who reported that they were subject to a time limit. The actual sample size for individual questions presented in this figure may be less than the total sample size shown because not all respondents answered all questions.

Chapter 3

Four-Year Impacts on Employment, AFDC/TANF, and Food Stamp Outcomes, from Administrative Records

This chapter examines the impact of Florida's Family Transition Program (FTP) on employment and welfare-related outcomes for individuals who applied for or were being recertified for eligibility in Aid to Families with Dependent Children/Temporary Assistance for Needy Families (AFDC/TANF) between May 1994 and February 1995. The findings discussed in this chapter add to previous research on FTP in several ways.

First, as discussed in Chapter 1, the data available for this report provide the opportunity to observe the pattern of FTP's impact over a four-year period. This includes the period when FTP had fully implemented its AFDC/TANF time-limit policy and discontinued AFDC/TANF grants for approximately 17 percent of the FTP group members in the study sample. The chapter will provide evidence about how the enforcement of this key aspect of FTP affected the income and self-sufficiency of those in the FTP group. In addition, this extended follow-up period provides the opportunity to examine factors that help account for the eventual decay of FTP's positive impact on employment and earnings. This includes an assessment of employment stability, welfare recidivism, and changes in the composition of income derived from earnings and welfare receipt.

Second, as discussed in Chapter 1, the data for this report include survey information collected from sample members over four years following their entry into the study. This chapter will use the survey data to examine characteristics of the jobs that sample members held near the end of the follow-up period. Chapter 4 will provide a more extensive analysis of FTP's impact on other income and on other economic and noneconomic outcomes.

Third, this report provides more extensive analyses of the impact FTP had on subgroups of the study sample. In particular, it focuses on individuals who, without access to FTP, were highly likely to remain on AFDC/TANF for long periods of time without working. These individuals were particularly vulnerable to the AFDC/TANF time limit, and the chapter assesses the extent to which FTP influenced their income and self-sufficiency.

I. Findings in Brief

- **Over the four-year follow-up period, FTP produced a modest increase in the income ($1,167) that FTP group members derived from UI-reported earnings, AFDC/TANF, and Food Stamps.**

On average, FTP reduced AFDC/TANF and Food Stamp payments by approximately $300 per sample member per year. FTP's impact on earnings offset these reductions in income by approximately $600 per year. This provided FTP group members with approximately $300 per year more in income from these sources than their AFDC group counterparts.

- **The pattern of FTP's impact on work and welfare receipt shifted significantly over the four-year follow-up period.**

FTP's positive impact on total income was concentrated in the second and third years of the follow-up period, when increases in earnings outpaced reductions in welfare payments by more than two to one. By the end of the follow-up period, the AFDC group was just as likely as the FTP group to be working. Nevertheless, during the fourth year of follow-up, earnings gains for the FTP group were just large enough to offset reductions in AFDC/TANF payments. While the enforcement of FTP's time limit resulted in nearly 17 percent of the FTP group having their benefits canceled, a significant proportion of the AFDC group was exiting the rolls on their own. As a result, FTP's impact in AFDC/TANF receipt rates did not result in substantial welfare savings in dollar terms.

- **FTP produced its largest impact on employment, earnings, and income among those least at risk of long-term welfare dependency. Although FTP produced just enough increase in earnings to offset a reduction in welfare payments for those most at risk of long-term welfare dependency, it appears that the program may have reduced total income somewhat for the small subgroup that faced the most severe barriers to employment.**

Among those identified as being least at risk of long-term welfare dependency (based on their characteristics at the time they entered the study), FTP produced an increase in total earnings of approximately $4,200 (a 19 percent increase over the AFDC group average) and an increase in total income of $3,200 (an 11 percent increase). Overall, FTP had little or no impact on total income for those most at risk of long-term welfare dependency, as slight increases in four-year earnings were enough to offset reductions in AFDC/TANF payments that occurred during the last two years of the follow-up period. By contrast, however, a relatively small subgroup that was at high risk of long-term welfare dependency and also faced particularly severe barriers to employment did experience a loss of approximately $2,000 in income (a 7 percent reduction) over the four-year follow-period.

II. Data and Analytical Issues

A. Data Sources and Follow-Up Period for the Report Sample

Administrative records data. This chapter focuses on income that members of the report sample obtained from three sources: earnings received from work and that were reported to the state's Unemployment Insurance (UI) system; AFDC/TANF payments received in the state of Florida; and Food Stamp payments received in the state of Florida. The primary source of information about this income was computerized administrative records kept by the state of Florida. These records provide information about earnings and public assistance obtained by sample members in any county in Florida. The rules for recording information in these records apply equally to all state residents. As a result, the records provide unbiased measures of earnings and public assistance receipt for both FTP and AFDC groups. It should be noted that these data are not available for earnings or public assistance obtained in

other states nor for income obtained from other sources such as financial or in-kind support from other family members or earnings not reported to the state's UI system.[1]

The impact findings presented in this chapter are based on the report sample described in Chapter 1: the 2,815 individuals randomly assigned between May 1994 and February 1995. The AFDC/TANF and Food Stamp administrative data are available through August 1999, and the UI system data on employment and earnings are available through September 1999. The chapter focuses on four full years of follow-up information. It also include findings on the longer-term trends in FTP's impact by examining the first half of a fifth year of follow-up. Appendix Table B.1 provides a quarter-by-quarter breakdown of the impact findings.

Survey data. Data are also available from a survey that was administered to a subset of 1,729 members of the report sample. Only the 2,160 sample members who entered the study between August 1994 and February 1995 were attempted for this survey. The 1,729 people who completed the survey represent 80 percent of those who were attempted and approximately 60 percent of the report sample. The survey was administered between September 1998 and October 1999, which corresponded to between 48 and 61 months following each respondent's entry into the study. For the purposes of the analyses presented in this chapter, these data provide information about income from earnings and welfare that may not be included in the administrative records systems discussed above.

B. <u>What Are Impacts?</u>

When analyzing the effects of FTP on individual behavior, it is important to distinguish between measures of program "outcomes" and measures of program "impacts." "Outcomes" refer to the status or behavior of sample members at various points during the follow-up period. The primary outcomes used in this evaluation capture sample members' employment, AFDC/TANF, and Food Stamp status as well as the amount of income they derived from earnings and AFDC/TANF and Food Stamp payments.

An "impact" is FTP's effect on an outcome. The average outcome levels for the FTP group alone provide potentially misleading measures of the impacts of FTP. Previous research has shown that many individuals find work and leave AFDC/TANF for reasons not necessarily related to a special intervention like FTP.[2] In order to determine the net effect of FTP, it is necessary to compare the experiences of a group of individuals who were exposed to FTP with a similar group of individuals who were not.

As discussed in Chapter 1, the FTP and AFDC groups were created using random assignment to ensure that there were no systematic differences between them in their background characteristics. Those randomly assigned to the FTP group were subject to FTP's participation requirements and time limits and were eligible for its services and work incentives. Those assigned to the AFDC group were neither required nor eligible to participate in FTP, but they were eligible (and, in some cases, required) to participate in Florida's Project Independence (PI) program and could use other services available in

[1]For example, earnings for federal employees are not reported to the UI system.

[2]See, for example, Bane and Ellwood, 1994.

the community. Impacts are estimated by measuring the difference between average outcome levels for the FTP and AFDC groups.

It is also important to note that all sample members are included in calculations of outcome measures. For example, estimates of average earnings per FTP group member or per AFDC group member include zero dollar amounts for sample members who were not employed during the follow-up period. To the extent that FTP moves people from unemployment to employment, or encourages AFDC/TANF or Food Stamp recipients to leave the rolls, excluding the resulting zero values from the FTP or AFDC group would lead to serious underestimation of program impacts.

A final issue of interpretation concerns the "statistical significance" of impact estimates. Statistical significance is a measure of the degree of certainty that some nonzero impact actually occurred. If an impact estimate is statistically significant, then one may conclude with some confidence that the program really had an effect. If an impact estimate is not statistically significant, then the nonzero estimate is more likely to be the product of chance.

Statistical significance does not directly indicate the magnitude or importance of an impact estimate, only whether any impact occurred. In an evaluation such as this one, numerically small impact estimates are usually not statistically significant. Some numerically large impact estimates may not be statistically significant, however, particularly when sample sizes are small. Smaller sample sizes yield less reliable impact estimates — estimates in which one can have less confidence — than are possible when samples are larger. For the full report sample, sample sizes are relatively large. Later in the chapter, smaller sample sizes are created by breaking up the full sample for subgroup analyses. Therefore, an estimate of a given magnitude that is statistically significant for the full sample may not be statistically significant for a subgroup.

C. Behavior of the AFDC Group: The Benchmark for Measuring FTP's Impacts

Because the AFDC group for this study had the same characteristics on average as the FTP group but were not required or permitted to participate in FTP, their behavior serves as a benchmark for how the FTP group would have behaved in the absence of FTP. Even without being subject to FTP's services and mandates, a substantial portion of the AFDC group were able to find work and move off the welfare rolls. Approximately 84 percent of the AFDC group received AFDC/TANF payments, and 90 percent received Food Stamps, at some point during the four-year follow-up period. By the end of the fourth year, only 18 percent were receiving AFDC/TANF, and 37 percent were receiving Food Stamps. As discussed in Chapter 1, the decline in AFDC/TANF receipt is more dramatic than has been found in other studies of welfare-to-work programs, including those undertaken in Florida.

The AFDC group also exhibited a steady increase in employment during the follow-up period. Approximately, 80 percent were employed at some point during the follow-up period. This percentage increased from about 38 percent in the first quarter of follow-up to about 50 percent four years later.

The pattern of declining AFDC/TANF receipt rates for the AFDC group tracks the steady reduction in AFDC caseloads across the state of Florida during this period (see Chapter 1). These differences suggest that FTP was being implemented in a different environment and context than was the case for previous welfare reform initiatives. Part of this difference may be due to the relatively strong local

economy and part may be due to changes in the public discourse about welfare policy and attitudes toward welfare recipients. For example, as discussed in Chapter 1, there has been a growing awareness in Escambia County and around the country that public assistance rules have changed in significant ways and now include limits on how long people may receive cash assistance. Some AFDC group members may have been influenced by this information in a general way (for example, by wanting to avoid the growing stigma associated with being on welfare), while others believed (erroneously) that they were subject to requirements of FTP or the Work and Gain Economic Self-Sufficiency (WAGES) program. To the extent that this may be the case, the behavior of the AFDC group may be more like that of the FTP group in this study. As a result, the estimates of FTP's impact presented in this chapter may underestimate what the effect would have been had the AFDC group not been influenced by misinformation about their status regarding FTP.

III. Four-Year Impacts for the Report Sample

A central feature of the findings presented in this chapter is the change in the pattern of impacts over the four-year follow-up period. As discussed in previous reports from the FTP evaluation, during the first two years of the follow-up period, FTP increased employment rates and earnings but did not affect the rate of AFDC/TANF receipt. Thus, the program's primary effect was to increase the number of people combining work and welfare. During the third year of follow-up, FTP began to produce substantial reductions in AFDC/TANF receipt as some FTP group members reached the time limit and had their benefits canceled. Yet earnings gains outpaced reductions in both AFDC/TANF and Food Stamp payments during the third year. In all, FTP produced an 8 percent increase in total income from UI-reported earnings, AFDC/TANF, and Food Stamps during the third year of follow-up.

During the fourth year of follow-up, FTP's impact on UI-reported employment and earnings declined, while reductions in AFDC/TANF receipt rates and payments continued from the third year. By the end of follow-up period, impacts on UI-reported employment and earnings were minimal, as members of the AFDC group eventually found jobs and caught up with their FTP group counterparts, who began working earlier in the follow-up period. Also, as more FTP group members reached the time limit, FTP reduced AFDC/TANF receipt from 18 percent for the AFDC group to 11 percent for the FTP group (a 41 percent reduction). By the end of the fourth year, however, even the small increases in earnings were enough, on average, to offset reductions in average AFDC/TANF payments (which were large in percentage terms but small in dollar amounts).

On average, over the four years of follow-up, FTP produced an increase of $1,167 in income from UI-reported earnings, AFDC/TANF payments, and Food Stamp payments. This represents an increase of about 4.5 percent over the AFDC group average of $25,606 in income from these three sources over the four-year follow-up period. Most of this increase occurred in the second and third years of follow-up, when increases in UI-reported earnings outpaced reductions in AFDC/TANF and Food Stamp payments by an average of about $425 per year. The fourth year of follow-up saw only a small (not statistically significant) increase in total income from these sources as employment rates and earnings rose steadily for the AFDC group.

A. Impacts on Combined Income from Earnings, AFDC/TANF, and Food Stamps

Figure 3.1 is a bar graph illustrating the amount of income that FTP and AFDC group members derived from UI-reported earnings, Food Stamp payments, and AFDC/TANF payments during each year of the four-year follow-up period. Each set of two bars corresponds to one year of the follow-up period. The left bar for each year indicates the amount of income for the FTP group, and the right bar indicates the amount of income for the AFDC group. The bottom section of each bar indicates the amount of income derived from earnings, the middle section indicates the amount of income derived from Food Stamp payments, and the top section indicates the amount of income derived from AFDC/TANF payments.

Figure 3.1 shows that, for both the FTP and AFDC groups, the distribution of income across the three sources changed dramatically over the follow-up period and that FTP produced an increase in the proportion of income that samples members obtained from UI-reported earnings. As noted earlier, for both the FTP and the AFDC groups, earnings levels increased from one year to the next while AFDC/TANF and Food Stamp payments decreased. Over the course of the follow-up period, therefore, both groups derived a greater and greater proportion of their income from earnings. On average, however, the FTP group derived a greater proportion of income from earnings than did the AFDC group. For example, during the first year, the FTP group derived 40 percent of their income from earnings, compared with 37 percent for the AFDC group. By the fourth year, the FTP group derived 79 percent of their income from earnings, compared with 73 percent for the AFDC group. This difference was even larger in the second and third years of follow-up, when FTP had its largest impact on employment rates and earnings. In sum, not only did FTP increase overall income for FTP group members compared with their AFDC group counterparts, but a higher proportion of the FTP group's income came from earnings. As discussed further below, this impact declined considerably during the fourth year of follow-up.

Table 3.1 provides a more detailed breakout of the impact FTP had on the amount of income sample members derived from UI-reported earnings, AFDC/TANF payments, and Food Stamp payments. It also lists findings on the percentage of sample members who obtained income from these sources during the follow-up period. These percentages are presented as averages per quarter for each year of the follow-up period. The next three sections of the chapter provide a more detailed discussion of the impact findings for each of these sources of income.

B. Impacts on Employment and Earnings

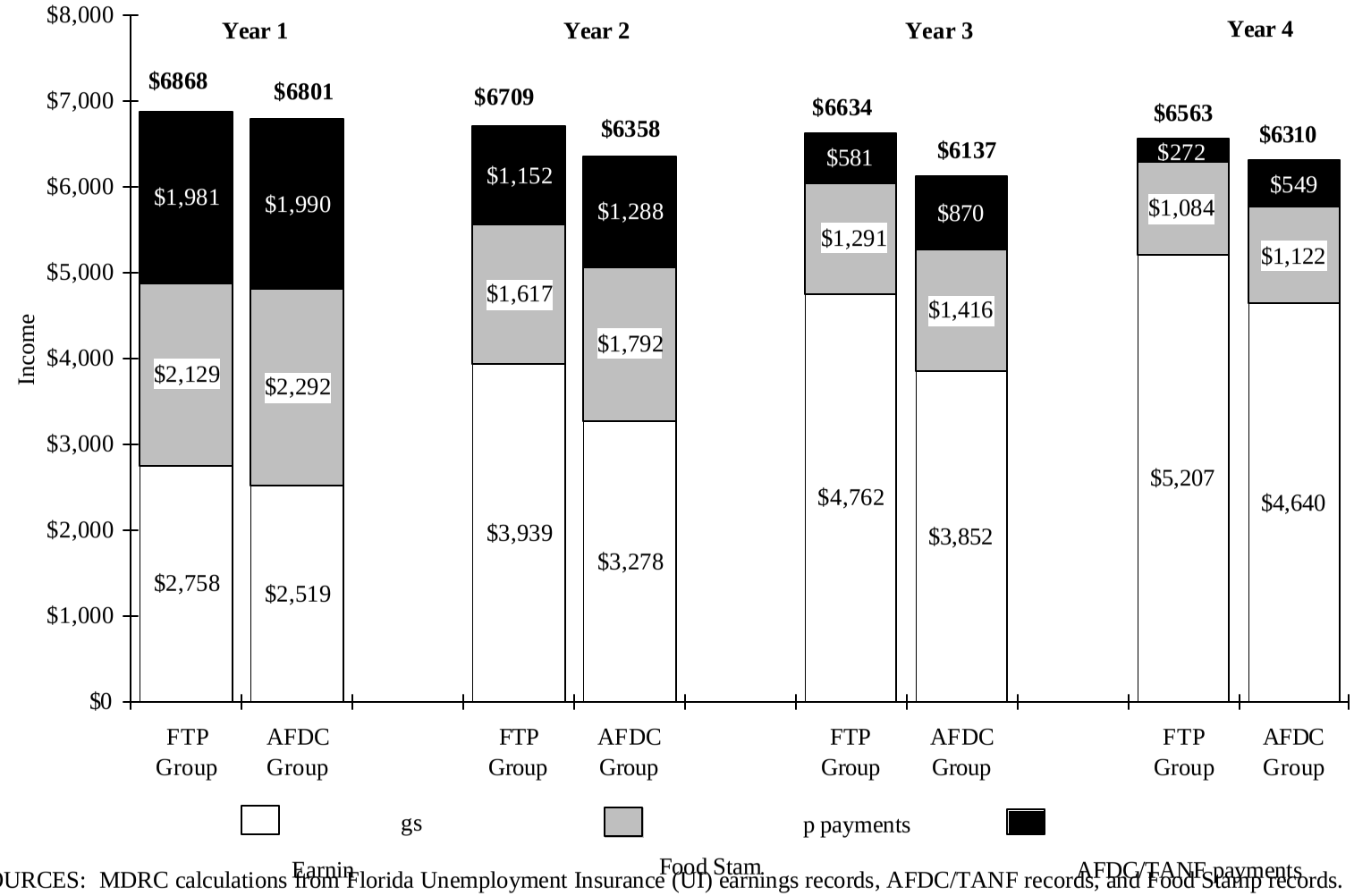
Impacts on UI-reported employment. The first panel of Table 3.1 shows that FTP had its largest impact on employment rates during the second and third years of the follow-up period.[3] During this period, the average employment rates for both the FTP and the AFDC groups remained relatively constant: UI-reported employment rates were approximately 50 percent per quarter for the FTP group, compared with approximately 44 percent per quarter for the AFDC group. Over the fourth year of follow-up period, however, the quarterly employment rates for the FTP and AFDC groups were virtually the same.

[3]Employment rates and average earnings for each quarter can be found in Appendix Table B.1.

Figure 3.1

Florida's Family Transition Program

Composition of Income for FTP and AFDC Group Members, by Year



SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

What accounts for the decay in FTP's impact on UI-reported employment? First, during the fourth year of follow-up, it appears that AFDC group members began to catch up with the FTP group in terms of their employment rates. In other words, those in the AFDC group who were not employed at the end of the third year of follow-up were more likely to be working at the end of the fourth year than FTP group members who were not employed at the end of the third year. For example, further analyses showed that 21 percent of those in the AFDC group were not working at the end of the third year but did work at some point during the fourth year. By contrast, 16 percent of those in the FTP group were not employed at the end of the third year but worked at some point during the fourth year.

A second possible explanation is that those in the FTP group were more likely to lose jobs they held during the third year of follow-up than AFDC group members who were employed during the third year. Further analysis indicates, however, that this was not a significant factor in the decay of FTP's impact on employment and earnings. For example, further analyses showed that only 3 percent of the FTP and AFDC groups were not employed during the fourth year after being employed at the end of the third year. Further, of those who were employed at the end of the third year, 76 percent of the FTP group and 78 percent of the AFDC group were employed at the end of the fourth year. In fact, of those who were employed at the end of the third year, 62 percent of the FTP group and 64 percent of the AFDC group were employed in all four quarters of the fourth year.

It is not clear how much of the steady increase in employment rates for the AFDC group was due to the growing economy, which enabled large numbers of unemployed welfare recipients to find jobs, and how much was due to the statewide and national efforts to change the welfare system to provide more incentives and mandates aimed at moving people off the rolls and into the labor market. In Florida, particularly during the later stages of the follow-up period for this study, the state was well under way with the implementation of WAGES, which included both an AFDC/TANF time limit and incentives and services aimed at helping people find and keep jobs. Some AFDC group members, even though they were not enrolled in WAGES, may have been influenced by widely circulating information about these changes in Florida's welfare system late in the follow-up period, thus narrowing the differences with the FTP group.

Impacts on UI-reported earnings. The second panel of Table 3.1 shows that FTP produced an increase of $2,378 in UI-reported earnings over the full four-year follow-up period. This represents nearly a 17 percent increase over the AFDC group level of $14,288. FTP's impact on average quarterly UI-reported earnings followed a pattern similar to that of the impacts on quarterly employment rates. Approximately two-thirds of this impact occurred during the second and third years of follow-up. During this period, the FTP group earned an average of nearly $200 per quarter more than the AFDC group (a 22 percent increase over the AFDC group average of approximately $891 per quarter).

During the fourth year, earnings impacts declined as average quarterly earnings for the AFDC group continued to increase and average earnings for the FTP group declined slightly. In all, however, during the fourth year, average earnings for the FTP group were $567 higher than for the AFDC group (a 12 percent increase over the AFDC group average of $4,640). Although this is a smaller impact than the $910 impact in year 3 (a 24 percent increase over the AFDC group average of $3,852), it is still statistically significant and relatively large.

Table 3.1

Florida's Family Transition Program

Four-Year Impacts on Employment, Earnings, AFDC/TANF Receipt, AFDC/TANF Payments, Food Stamp Receipt, and Value of Food Stamps Received

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Percent employed per quarter, years 1-4	48.3	43.8	4.5 ***	10.3
Year 1	42.3	39.3	3.0 **	7.5
Year 2	49.7	43.2	6.5 ***	15.1
Year 3	51.4	44.6	6.7 ***	15.1
Year 4	49.8	48.0	1.8	3.7
Average total earnings, years 1-4 ($)	16,666	14,288	2,378 ***	16.6
Year 1	2,758	2,519	240 *	9.5
Year 2	3,939	3,278	661 ***	20.2
Year 3	4,762	3,852	910 ***	23.6
Year 4	5,207	4,640	567 **	12.2
Percent receiving AFDC/TANF per quarter, years 1-4	36.8	40.4	-3.6 ***	-8.8
Year 1	66.7	64.4	2.3 *	3.5
Year 2	43.6	44.4	-0.8	-1.8
Year 3	25.1	32.0	-6.9 ***	-21.5
Year 4	11.9	20.7	-8.8 ***	-42.4
Average total AFDC/TANF payments received, years 1-4 ($)	3,987	4,698	-711 ***	-15.1
Year 1	1,981	1,990	-9	-0.5
Year 2	1,152	1,288	-136 ***	-10.6
Year 3	581	870	-289 ***	-33.2
Year 4	272	549	-277 ***	-50.4
Average number of months receiving AFDC/TANF payments, years 1-4	15.4	17.1	-1.7 ***	-9.9
Percent receiving Food Stamps per quarter, years 1-4	56.1	56.5	-0.4	-0.7
Year 1	76.4	76.0	0.4	0.5
Year 2	59.6	60.6	-0.9	-1.5
Year 3	48.5	48.8	-0.4	-0.8
Year 4	40.0	40.7	-0.7	-1.6
Average total value of Food Stamp payments received, years 1-4 ($)	6,121	6,621	-499 ***	-7.5
Year 1	2,129	2,292	-163 ***	-7.1
Year 2	1,617	1,792	-174 ***	-9.7
Year 3	1,291	1,416	-125 **	-8.8
Year 4	1,084	1,122	-37	-3.3
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	26,774	25,606	1,167 *	4.6
Year 1	6,868	6,801	67	1.0
Year 2	6,709	6,358	351 *	5.5
Year 3	6,634	6,137	496 **	8.1
Year 4	6,563	6,310	253	4.0
Sample size	1,405	1,410		

(continued)

Table 3.1 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

FTP's impact on earnings may be due to a combination of factors: increases in being employed, increases in hours worked, or increases in hourly wage. The four-year survey data provide an opportunity to decompose the earnings impact into its components. These data are used here to examine employment rates and job characteristics during the third year of follow-up, the year in which FTP had its largest impact on earnings. In short, this analysis found that most of the earnings impact during the third year of follow-up was driven by FTP's impact on employment rather than by the characteristics of the jobs held by members of the FTP and AFDC groups. In other words, FTP and AFDC group members worked similar hours and earned similar hourly wages if they were employed. The primary difference between the groups was that the FTP group was more likely to be employed than the AFDC group.

Job characteristics of employed FTP group members. The four-year survey also provides detailed information about the characteristics of the current or most recent job FTP group members held at the time of the survey interview. This is summarized in Table 3.2. Most of the jobs reflected in Table 3.2 (the current or most recent jobs) were jobs that FTP group members held during the fourth year of the follow-up period. In some cases, the current or most recent job occurred after the fourth year of follow-up. Further analyses indicated a similar pattern of characteristics for other jobs held by FTP group members. These analyses also showed that the jobs held by employed AFDC group members were very similar on average to those reflected in Table 3.2.

FTP group members worked an average 36 hours per week and were paid an average of $6.90 per hour. The bottom panel of the table shows the nonwage characteristics of the current or most recent jobs held by employed FTP group respondents. This part of the table shows that 46 percent of employed FTP group members worked in jobs that provided health insurance benefits and that 27 percent had enrolled in health insurance programs offered by their employers.[4] In addition, 35 percent of employed FTP group members worked in jobs that provided sick days, and 45 percent worked in jobs the provided paid vacation.

Impacts on employment stability measures. A key challenge for welfare to work programs is helping welfare recipients keep jobs. As noted above, FTP increased the employment rates of FTP group members, particularly during the first three years of the follow-up period. Another question, however, is whether FTP enabled sample members to keep these jobs? Table 3.3 sheds light on this question.

The first three rows of the table show the impacts of FTP on selected indicators of continuous employment drawn from the UI data. The first row of the table indicates that approximately 77 percent of the FTP group worked at some point in the first two years of the follow-up period. During the same period, approximately 71 percent of the AFDC group worked at a UI-reported job. For this analysis, these sample members were divided into two groups to shed light on the extent to which they were employed continuously: those who worked in the first two years

[4]As Table 3.2 indicates, about 27 percent of employed FTP group members were offered and enrolled in employer health insurance plans. Sample members who were offered but did not take up health insurance provided various explanations for not doing so. The most common reasons were the expense of the plan and not having worked enough to be eligible; 39 percent of these respondents indicated that the plan was too expensive, and an additional 32 percent indicated that they had not worked enough to meet eligibility requirements.

Table 3.2

Florida's Family Transition Program

Characteristics of Current or Most Recent Job Among Employed FTP Group Members

Characteristic	Employed FTP Group Members
Earnings, wages, and hours	
Monthly average earnings[a] ($)	1,067
Monthly earnings (%)	
Less than $300	3.20
$300-$599	14.2
$600-$899	25.0
$900 or more	57.6
Hourly average wage ($)	6.90
Hourly wage (%)[a]	
Less than $6	42.6
$6-$7.49	31.3
$7.50-$8.99	9.6
$9 or more	16.6
Hours per week (average)	35.6
Hours per week (%)	
Less than 20	4.7
20-29	15.6
30-39	28.0
40 or more	51.7
Benefits and work schedule (%)	
Job provides health insurance	46.1
Enrolled in employer-offered health insurance[b]	26.9
Job provides sick leave	34.9
Job provides paid vacation	45.0
Works typical day shift	68.5
Works night shift	17.0
Works irregular shift	15.0
Sample size	787

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes FTP group survey respondents who had ever worked since random assignment.

[a]Monthly earnings and hourly wages are computed from other survey responses.

[b]This measure reflects those who both were offered and were enrolled in employer-offered health insurance. Approximately 60 percent of those who were offered employer health insurance chose to enroll.

Table 3.3

Florida's Family Transition Program

Impacts on Employment Stability and Duration

Measure	FTP Group	AFDC Group	Impact
Ever worked in years 1-2	76.6	70.9	5.7 ***
Worked in first 2 years and 6 of 8 quarters in last 2 years	39.5	33.8	5.8 ***
Worked in first 2 years and less then 6 out of 8 quarters in last 2 years	37.1	37.2	-0.1
Ever worked in years 1-3 and worked for 4 straight quarters	58.9	52.9	6.0 ***
Employed all 4 quarters of year 4	35.3	32.7	2.7
Employed all 8 quarters of years 3 and 4	23.9	20.9	3.0 *
Employed all 16 quarters	10.1	7.6	2.5 ***
Sample size	1,405	1,410	

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records.

NOTES: UI records do not indicate whether a sample member worked continuously throughout a quarter.

Dollar averages include zero values for sample members who were not employed.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

and were employed in at least six of eight quarters in the last two years and (2) those who worked in the first two years and were employed for fewer than six out of eight quarters in the last two years. The table indicates that most of the initial employment generated by FTP did result in employment that was "stable." In particular, FTP increased the proportion of people who worked during the first two years of follow-up and remained working during most of the final two years. In short, therefore, FTP did increase employment stability. The last four rows of Table 3.3 list several indicators of employment duration and show that FTP increased the total length of time that FTP group members remained employed.

Income from the Earned Income Credit. The federal Earned Income Credit (EIC) is a refundable credit for taxpayers with annual earnings up to $30,095. The EIC was as large as $3,816 in 1999.[5] Given that FTP produced substantial impacts on earnings, the EIC was likely to have provided additional income for some families, particularly those with earnings up to the EIC threshold. However, it is also possible that FTP group members paid higher taxes, offsetting any benefit from increased EIC credits. Box 3.1 discusses the strategy used to estimate EIC income and the amount sample members paid in income and payroll taxes.

In all, FTP increased income from the EIC by a total of approximately $298 over the four-year follow-up period. This represents an increase of nearly 10 percent over the AFDC group's average of $3,066 in EIC income over the four years. However, increases in the EIC were offset by increases in estimated payroll and income taxes paid by FTP group members. Because of the increase in earnings, the FTP group also paid somewhat more in income and payroll taxes over the four-year follow-up period. FTP group members are estimated to have paid $276 more in additional taxes. After deducting these taxes, the impact of FTP on income from the EIC and taxes paid amounted to $22 over the four-year follow-up period. In general, impacts on the EIC and taxes do not change the basic pattern of impacts on total income.

C. Impacts on AFDC/TANF Receipt and Payments

The third and fourth panels of Table 3.1 show the average quarterly AFDC/TANF receipt rates and payment amounts, respectively, for the FTP and AFDC groups. (Note that average AFDC/TANF payments include zero values for sample members who did not receive AFDC/TANF in a given quarter). Among the most noteworthy features of these measures is the dramatic decline in quarterly AFDC/TANF receipt rates and payment amounts among both the FTP group and the AFDC group over the four-year follow-up period. In fact, by the last quarter of the fourth year, less than 20 percent of the AFDC group were receiving AFDC/TANF. As discussed in Chapter 1, the precipitous decline in AFDC/TANF receipt rates mirrors the statewide trend in which welfare caseloads declined by 60 percent between 1994 and 1999. It is not clear how much of this decline was due to the growing economy, which enabled large numbers of welfare recipients to find jobs, and how much was due to the statewide and national efforts to change the welfare system to provide more incentives and mandates aimed at moving people off the rolls. In any case, the trends illustrated in Table 3.1 show that FTP's impact on

[5]This amount applies to workers raising two or more children in 1999. Some caution must be exercised when interpreting the impact of the EIC on the income of sample members. For example, it is not clear what percentage of sample members declare the EIC on their tax forms. This is discussed more in Box 3.1.

Box 3.1

FTP Impacts on EIC and Taxes

In order to estimate the EIC, it is necessary to estimate the rate at which eligible sample members "take up" the tax credit. Some studies have assumed that everyone who was eligible for the EIC received it. However, the true EIC take-up rate is less than 100 percent. It is likely that many who claim the EIC might not know it, and therefore the survey questions on EIC take-up are deemed unreliable. In this analysis, it is assumed that a high percentage of people who file a tax return would claim the EIC (whether they know it or not).

The four-year client survey collected information on the percentage of respondents who reported filing a 1997 tax return. This information was used to estimate the EIC take-up rate. There is evidence that take-up rates for the EIC varied based on family earnings. Further analysis confirmed this. The following table shows that rates of tax filing increase for survey respondents whose UI earnings were higher in 1997. Note that there are several reasons why someone with no UI earnings could have filed a tax return. For example, they had non-UI earnings, they had out-of-state earnings, or their spouse had earnings.

1997 UI Earnings	Filed 1997 Tax Return (%)
$0	47.3
$1-$5,000	71.2
$5,001-$15,000	95.0
$15,001 or more	96.3

To estimate the EIC take-up, this analysis computed the percentage of sample members who indicated that they had filed a 1997 tax return within different earnings brackets. This was used as the estimate of EIC take-up. Then, based on their annual UI earnings, the parameters specified in the 1997 tax code, and the number of children at baseline, each sample member received an annual EIC estimate. (It is important to recognize that the estimates provided here are based on UI-reported earnings for sample members and do not include information about the earnings of spouses.) This estimate was then multiplied by the EIC take-up rate relevant to their level of earnings in that year. Payroll and income taxes were computed directly as a percentage of total earned income, which includes earnings and UI benefits. The table below shows FTP's impact on income from the EIC and taxes paid.

Impact on Estimated EIC and Taxes Over the Four-Year Follow-Up Period

Outcome	FTP Group	AFDC Group	Impact
Impact on estimated EIC	$3,363	$3,066	$298 **
Impact on income and payroll taxes	-1,592	-1,317	-276 ***
Impact on EIC after taxes	1,771	1,749	22

AFDC/TANF receipt rates and payment amounts occurred in a context of already declining welfare rolls (as exhibited by the behavior of the AFDC group).

As discussed in previous reports from the evaluation, FTP began producing reductions in AFDC/TANF receipt rates and payment amounts during the third year of follow-up, corresponding to the period when some FTP group members began reaching the FTP time limit and having their grants canceled. Appendix Table B.1 shows the quarter-by-quarter AFDC/TANF receipt rates for the FTP and AFDC groups. It shows that the reductions in receipt rates (beyond the already low AFDC group levels) continued through the end of the fourth year, when only 11 percent of the FTP group were receiving AFDC/TANF, compared with 18 percent of the AFDC group. In all, FTP reduced AFDC/TANF payments by an average of $277 during the fourth year of follow-up (a 50 percent reduction from the AFDC group average of $549).

A significant factor that was likely to have contributed to FTP's impact on AFDC/TANF receipt rates and payment amounts is the fact that approximately 17 percent of the FTP group reached the time limit and had their AFDC/TANF grants canceled. At the same time, this accounts for only about 20 percent of those who received AFDC/TANF at some point during the follow-up period but were no longer receiving payments at the end of the fourth year. In addition, judging by the behavior of the AFDC group, it appears that some FTP group members who reached the time limit and had their grants canceled would have left AFDC/TANF even if they were not subject to a time limit. Otherwise, FTP's impact on AFDC/TANF receipt rates at the end of the follow-up period would have been larger than 7 percentage points and closer to the 17 percent of the FTP group who had their grant terminated.

Finally, FTP had little or no effect on AFDC/TANF receipt recidivism (not shown in Table 3.1). For example, 38 percent of the FTP group and 40 percent of the AFDC group left the AFDC/TANF rolls for at least two months and then returned before the end of the follow-up period. FTP did produce a slight reduction in the length of time FTP group members spent on AFDC/TANF during these subsequent spells on the rolls. For example, FTP group members spent an average of 5.5 months receiving AFDC/TANF after returning, compared with 6.7 months for the AFDC group. (This difference of 1.2 months is statistically significant at the 1 percent level and represents a 19 percent reduction from the AFDC group average.)

D. Impacts on Food Stamp Receipt and Payments

The fifth and sixth panels of Table 3.1 present findings on FTP's impacts on Food Stamp receipt rates and payment amounts over the four-year follow-up period. The table shows that Food Stamp receipt rates and payment amounts declined steadily over the follow-up period for both the FTP and the AFDC groups. Although somewhat less dramatic, the trend in Food Stamp receipt is similar to that of AFDC/TANF receipt.

Table 3.1 shows that, while FTP did not have an effect on Food Stamp receipt rates, the program did reduce the amount of Food Stamp payments received by FTP group members during the first three years of follow-up. During this period, FTP reduced Food Stamp payments by an average of $154 per year per FTP group member (approximately an 8 percent reduction compared with the

AFDC group average). During the fourth year of follow-up, FTP had no systematic impact on average Food Stamp payments.

FTP's impact on Food Stamp payments is particularly important because, on average, as shown in Table 3.1, sample members received more income from Food Stamps than they did from AFDC/TANF. Also, both earnings from work and AFDC/TANF payments are included in the calculation of Food Stamp grants. Thus, in light of the fact that FTP had no impact on Food Stamp receipt rates, the reductions in Food Stamp payment amounts is likely to be due to the relatively large increase in earnings among FTP group members during the first three years of follow-up. However, the large reductions in AFDC/TANF payments during the fourth year of year of follow-up may account for the decay in Food Stamp payment impacts. Also, given that FTP did not change Food Stamp payments during the fourth year of follow-up, the dramatic reduction in AFDC/TANF payments during the fourth year means that Food Stamps made up a higher proportion of total income for FTP group members.

E. Impacts on Combining Employment and AFDC/TANF Receipt

Table 3.4 displays FTP's impact on the extent to which sample members combined employment and AFDC/TANF receipt during the four-year follow-up period. To create the measures in this table, sample members were classified into one of four mutually exclusive categories defined by their employment and AFDC/TANF receipt status in each quarter of follow-up. The quarterly percentage of FTP and AFDC group members in each category was then averaged over each year of the follow-up period. Impact estimates are the differences between the average quarterly percentage of FTP group members in each category and the average quarterly percentage of AFDC group members in each category.

Table 3.4 shows that, throughout the follow-up period, FTP reduced the percentage of FTP group members who were receiving AFDC/TANF but were not working. During the first two years of follow-up, as FTP increased employment rates, the primary effect of FTP was to increase the percentage of FTP group members who were employed and received AFDC/TANF. This may be due, in part, to FTP's more generous earnings disregard, which enabled FTP group members to earn more while remaining eligible for AFDC/TANF.

In fact, to the extent that FTP's earnings disregard did induce more people to combine work and welfare, it may actually have muted any effect the program may have had on reducing the welfare rolls early in the follow-up period. For example, further analysis of the information in Table 3.4 indicates that an average of approximately 42 percent of employed FTP group members were also receiving AFDC/TANF during the second year of follow-up. By contrast, only 34 percent of employed AFDC group members were doing so. If this difference was made possible by the higher earnings disregard for the FTP group, then, presumably, the additional employed FTP group members would not have been able to continue receiving AFDC/TANF without the higher disregard. This would mean that without this feature of the program, only 34 percent of employed FTP group members (the same percentage of employed AFDC group members) would have continued to received AFDC. This would have resulted in an additional reduction in the welfare rolls of approximately 5 percentage points during the second year of follow-up.

During the third and fourth years of follow-up, a very different pattern of impacts emerged: FTP actually reduced the percentage of FTP group members who combined work and welfare. During the third year, FTP increased the percentage of FTP group members who were employed and not receiving AFDC/TANF. This occurred, in large part, because the FTP group

Table 3.4

Florida's Family Transition Program

Four-Year Impacts on Combined Employment and AFDC/TANF Receipt Status

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Percent not employed and received AFDC/TANF per quarter				
Year 1	41.2	43.8	-2.6 **	-6.0
Year 2	22.9	29.7	-6.7 ***	-22.7
Year 3	12.9	20.3	-7.4 ***	-36.6
Year 4	7.5	12.5	-5.1 ***	-40.3
Percent employed and received AFDC/TANF per quarter				
Year 1	25.5	20.6	4.9 ***	23.7
Year 2	20.7	14.8	5.9 ***	40.0
Year 3	12.3	11.8	0.5	4.4
Year 4	4.4	8.1	-3.7 ***	-45.8
Percent employed and did not receive AFDC/TANF per quarter				
Year 1	16.8	18.7	-1.9 *	-10.4
Year 2	29.0	28.4	0.6	2.2
Year 3	39.1	32.9	6.2 ***	19.0
Year 4	45.4	39.9	5.5 ***	13.8
Percent not employed and did not receive AFDC/TANF per quarter				
Year 1	16.6	16.9	-0.3	-2.0
Year 2	27.4	27.2	0.2	0.7
Year 3	35.8	35.1	0.7	1.9
Year 4	42.7	39.5	3.3 **	8.3
Sample size	1,405	1,410		

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records and AFDC/TANF records.

NOTES: Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

were more likely to leave the AFDC/TANF rolls and either find jobs or keep the jobs they had. During the fourth year of follow-up, however, FTP's impact of AFDC/TANF receipt rates was evenly distributed between those who went to work and those who did not.

F. Longer-Term Trends in FTP Impacts

The primary focus of this chapter is FTP's impact during the four years following each sample member's entry into the study. A key conclusion from the findings presented so far is that FTP's impacts on employment, earnings, and total income had decayed during the fourth year of follow-up period. An important question is whether this trend continued beyond the fourth year of follow-up. It is also possible that FTP may have begun to reduce income as more FTP group members reached the time limit and more AFDC group members became employed.

Table 3.5 shows the amount of income that sample members derived from UI-reported earnings, AFDC/TANF, and Food Stamps during the second quarter of the fifth year of follow-up (quarter 18 following random assignment). It also shows impacts on various indicators of self-sufficiency and welfare dependence that are represented by the proportion of income derived from these sources during the second quarter of the fifth year.

The first panel of Table 3.5 indicates that, by the middle of the fifth year of follow-up, there was no statistically significant difference between the FTP and AFDC groups in total income from earnings, AFDC/TANF, and Food Stamps. Although FTP continued to reduce AFDC/TANF receipt rates and payments, this did not result in large losses of income, on average, because relatively few AFDC group members were receiving AFDC/TANF by this point. In all, by the middle of the fifth year following random assignment, 83 percent of the FTP group's income was being derived from UI-reported earnings, compared with 79 percent of the AFDC group's income.

The second panel of Table 3.5 shows FTP's impact on the percentages of the sample who fell into various income brackets by the middle of the fifth year of follow-up. FTP produced an increase in the percentage of FTP group members in the lowest income categories ($0 and $1-$1,500) and a reduction in the percentage of FTP group members in the middle category $1,501-$3,000). This suggests that, although there does not appear to be a systematic reduction in average income, FTP may have reduced income for some sample members. This issue is explored later in the chapter, when examining FTP's impacts for various subgroups of the report sample.

The third panel of Table 3.5 shows the percentages of the sample who received income from earnings, AFDC/TANF, and Food Stamps. By the middle of the fifth year, FTP continued to reduce AFDC/TANF receipt rates while producing no impact on employment and Food Stamp receipt rates. By this point, only 8 percent of the FTP group were receiving AFDC/TANF payments.

The bottom rows of Table 3.5 show the various combinations of employment, AFDC/TANF, and Food Stamps received during the middle of the fifth year. By quarter 18, FTP increased the proportion of the FTP group who were relying on Food Stamps as their only source of income according to the administrative records data.

Table 3.5

Florida's Family Transition Program

Impacts on Income from Earnings, AFDC/TANF, and Food Stamps During the Second Quarter of Year 5

Outcome	FTP Group	AFDC Group	Difference		Percentage Change
Income					
Average total income from earnings, AFDC/TANF, and Food Stamps, second quarter of year 5 ($)	1,622	1,674	-52		-3.1
Average total earnings ($)	1,345	1,328	16		1.2
Average total AFDC/TANF payments received ($)	49	94	-45	***	-48.1
Average total value of Food Stamp payments received ($)	228	251	-23		-9.1
Income brackets (%)					
$0	35.7	33.8	1.9		5.7
$1-$1,500	25.4	21.1	4.3	***	20.3
$1,501-$3,000	16.0	23.0	-7.0	***	-30.4
$3,001-$4,500	14.1	14.8	-0.7		-5.0
$4,501 or more	8.8	7.3	1.5		20.7
50% or more of income is derived from earnings (%)	44.0	45.0	-1.0		-2.1
50% or more of income is derived from AFDC/TANF and Food Stamps (%)	20.3	21.2	-1.0		-4.5
More than $2,400 quarterly income and less than 50% of income is from AFDC/TANF and Food Stamps (%)	28.7	29.3	-0.6		-2.1
Income sources (%)					
Ever employed	48.0	49.7	-1.7		-3.4
Ever received AFDC/TANF	8.1	14.0	-6.0	***	-42.5
Ever received Food Stamps	32.2	34.1	-1.9		-5.6
Earnings without AFDC/TANF or Food Stamps	31.1	31.1	0.1		0.2
Earnings with AFDC/TANF or Food Stamps	16.9	18.6	-1.7		-9.3
No earnings and					
AFDC/TANF and Food Stamps	5.3	8.4	-3.1	***	-37.2
Food Stamps only	10.5	7.5	2.9	***	38.6
AFDC/TANF only	0.5	0.5	0.0		-2.5
No AFDC/TANF or Food Stamps	35.7	33.8	1.9		5.7
Sample size	1,405	1,410			

(continued)

Table 3.5 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

The second quarter of year five is quarter 18. For a small group of sample members, AFDC/TANF and Food Stamps for the final month of quarter 18 were imputed based on the payments in the prior month.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table 3.5 also indicates that approximately a third of both the FTP and the AFDC groups had no income from UI-reported earnings, AFDC/TANF payments, or Food Stamp payments. These individuals may have obtained income from other members of the household or from informal employment, or they may have moved to another state. Table 3.6 describes a variety of self-reported income sources for 459 four-year survey respondents for whom the administrative records showed no income in the quarter in which the survey was administered. Among this group, 97 percent reported that they were working, receiving welfare or child support payments, or living with another adult. In other words, the survey indicates that almost all these people had some source of income or support. The table shows that more than 53 percent reported that they were currently working (apparently in jobs not covered by the UI system) and that 47 percent were living with another adult who was working. Among those working, nearly 40 percent were working in jobs held outside of Florida. In all, 71 percent of those with no income according to the administrative records sources were living with another adult.

IV. Four-Year Impacts for Subgroups Defined by Characteristics Associated with Long-Term Welfare Dependency and Employment Barriers

The findings presented in the previous section provide a broad overview of the impact FTP had on typical or average AFDC/TANF applicants and recipients. These findings, however, do not account for the fact that FTP attempted to serve a diverse population of applicants and recipients and was likely to change certain outcomes for some people but not necessarily for others. For example, some people in the research sample were more likely than others to become heavily dependent on welfare and, thus, may have been at high risk of being adversely affected by FTP's time limits if they could not find work or fall back on other sources of income. On the other hand, some sample members were more likely than others to be able to find work without the incentives and mandates of FTP. These people may not have been as likely to be adversely affected by the time limit but may have benefited from other aspects of FTP such as the education or training services or the more generous earnings disregard, which enabled them to keep more of their AFDC/TANF grant while they were working.

This section of the chapter focuses on a set of three subgroups defined by characteristics associated with different likelihoods of remaining on welfare for long periods of time with little or no employment. These are referred to as "welfare dependency" subgroups and are intended to help shed light on the degree to which FTP increased or decreased income for groups who may have been more or less vulnerable to income losses as a result of FTP's time limit. These subgroups are also the focus of analyses presented in subsequent chapters on household income and children and family outcomes.

The chapter also examines impact findings for a smaller subgroup that faced particularly severe barriers to employment as well as being at high risk of long-term welfare dependency. Previous research suggests that welfare recipients with significant barriers to employment may be more susceptible to hitting time limits owing to very low employment rates and high levels of

Table 3.6

Florida's Family Transition Program

Other Income Sources for Survey Respondents with No Income According to State Administrative Record Sources

	No Income According to State Administrative Records
Lives with another adult (%)	70.7
Other household member employed	47.4
Lives with another adult; receives welfare, Food Stamps, child support or SSI, or currently working	96.5
Currently working	52.8
Current or most recent job is in Florida (%)	62.1
Hours per week worked in current or most recent job	35.7
Hourly wage, current or most recent job ($)	7.43
Average household income ($)	1,623
Average income for respondent ($)	774
Income from others in household ($)	847
Terminated from AFDC[a] (%)	6.8
Sample size	459

SOURCES: MDRC calculations from the four-year client survey, Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

[a]This measure was computed only for FTP group members, since AFDC group members were not subject to the time limit.

welfare dependency.[6] To the extent that those with the most severe barriers to employment have the most difficulty finding and keeping jobs, they may be especially vulnerable to losing income when the FTP time limit is imposed. They may also experience income losses if they are unable to comply with FTP's participation mandates and thus have their AFDC/TANF grants reduced or eliminated via sanctions.

A. Welfare Dependency Subgroups

To assess the variation in FTP's impacts, the report sample was divided into three subgroups based on selected background characteristics that were strongly associated with welfare dependency. Here, welfare dependency was measured on a continuum ranging from one extreme of remaining on AFDC/TANF for long periods of time with little or no employment through another extreme of having a steady record of employment with little or no AFDC/TANF receipt. The middle part of the continuum covers cases where sample members would incur roughly equal rates of AFDC/TANF receipt and employment. The subgroups were defined using six characteristics found to be strong predictors of where AFDC group members were likely fall on this continuum of welfare dependency.[7] Each of these characteristics was measured at the time sample members entered the study sample and were randomly assigned to the FTP or AFDC group. Each of these characteristics has also been identified in prior research as being highly correlated with welfare dependency and employment. They include:

- whether the sample member received any AFDC/TANF payments in the quarter prior to random assignment;
- the total number of months the sample member received AFDC/TANF payments during the two years prior to random assignment;
- whether the sample member had any UI-reported earnings in the quarter prior to random assignment;
- the total number of months the sample member worked during the two years prior to random assignment;
- whether the sample member had a high school diploma or a GED at the time of random assignment; and

[6]See Michalopoulos and Schwartz, 2000, for an extensive analysis of the impacts of welfare-to-work programs on employment-barriers subgroups.

[7]The strategy for defining these subgroups is described in Appendix A. In brief, the strategy involved an analysis using background characteristics to predict the number of months of AFDC/TANF receipt without employment during the follow-up period. This analysis was conducted with individuals who applied or reapplied for AFDC/TANF after the sample intake period for this report. Because random assignment was still being conducted during this period, the analysis was able to focus on an AFDC group that was not subject to FTP's time limit or participation requirements and was not eligible for its services and benefits. The prediction of AFDC/TANF receipt without employment for this group generated an index of characteristics of likely long-term welfare dependents who did not have access to FTP. The index was then calculated for the FTP and AFDC groups from the report sample using the same characteristics.

- the age of the sample member's youngest child at the time of random assignment.

Following are brief definitions of the three subgroups.

- **Most at-risk subgroup:** Individuals in the study sample (approximately 25 percent of both the FTP and the AFDC groups) with the combination of characteristics associated with a particularly high likelihood of welfare dependency indicated by high levels of AFDC/TANF receipt and low levels of UI-reported employment.

- **Least at-risk subgroup:** Individuals in the study sample (approximately 25 percent of the FTP and AFDC groups) with characteristics associated with a particularly low likelihood of welfare dependency indicated by high levels of UI-reported employment and low levels of AFDC/TANF receipt.

- **Medium-risk subgroup:** The remaining individuals in the study sample (approximately 50 percent of both the FTP and the AFDC groups) who were likely to rely on a mix of the AFDC/TANF and employment or were likely to experience low levels of both AFDC/TANF receipt and UI-reported employment.

The three welfare dependency subgroups differed dramatically in the amount of income that AFDC group members derived from AFDC/TANF payments, Food Stamp payments, and UI-reported earnings both prior to and after random assignment. For example, although the most at-risk AFDC group obtained approximately $7,300 in income during the year prior to random assignment, this income was almost exclusively derived from AFDC/TANF and Food Stamps. During the fourth year of the follow-up period, average income for this group had declined somewhat to approximately $6,800, but only 43 percent of this income was derived from AFDC/TANF and Food Stamps. Throughout the follow-up period, the most at-risk AFDC group received an average of approximately 26 months of AFDC/TANF and worked in approximately 6 of the 16 quarters covered by the UI records. Approximately 26 percent of the high-risk FTP group members reached the FTP time limit and had their AFDC/TANF benefits canceled. In short, given its heavy dependency on welfare and limited employment record, this group appeared to be especially vulnerable to significant income losses as a result of FTP's time limit and service requirements (which included welfare sanctions).

By contrast, the least at-risk AFDC group obtained approximately $7,100 in income during the year prior to random assignment, but only 21 percent of this was derived from AFDC/TANF and Food Stamps. During the fourth year of the follow-up period, this group had obtained approximately $7,300, and only 10 percent was derived from AFDC/TANF and Food Stamps. Throughout the follow-up period, the least at-risk AFDC group received an average of approximately nine months of AFDC/TANF and worked in approximately 9 of the 16 quarters covered by the UI records. Approximately 9 percent of the least at-risk FTP group members reached the FTP time limit and had their AFDC/TANF benefits canceled. This group appeared to be much less vulnerable to significant income losses as a result of FTP's time limit and, given its employment record, may have been positioned to benefit from its employment and support service requirements.

The welfare dependency subgroups differed not only in prior welfare receipt and employment but in other characteristics, such as prior education, age of the youngest child, and race. (Appendix Ta-

ble A.8 presents selected characteristics of the welfare dependency subgroups.) For example, nearly 80 percent of the least at-risk AFDC group entered the study sample with a high school diploma or GED, compared with only 47 percent of the most at-risk AFDC group. Also, 40 percent of the least at-risk AFDC group entered the study with a preschool-aged child (younger than age 6), compared with 89 percent of the most at-risk AFDC group. Finally, 42 percent of the least at-risk AFDC group are black or Hispanic, compared with 65 percent of the most at-risk AFDC group.

Before moving on to a discussion of the impact findings, it is important to note that, because each of the characteristics used to define the welfare dependency subgroups, as well as other background characteristics, was measured before individuals were randomly assigned to the FTP or AFDC groups, there are no systematic differences in observed background characteristics between FTP and AFDC groups within each of the welfare dependency subgroups. Thus, differences that emerge between the FTP and AFDC groups can confidently be attributed to the FTP group's being subject to FTP's mandates and services and the AFDC group's not being subject to them.

Table 3.7 presents an overview of impact findings for the three welfare dependency subgroups defined above. In general, the table indicates that FTP produced particularly large increases in earnings among those in the least at-risk subgroup. Over the four-year follow-up period, this group experienced a $4,221 increase in earnings (a 19 percent increase over the AFDC group average). When combined with modest reductions in AFDC/TANF and Food Stamp payments, this translated into an increase in total income of $3,200 over the four-year follow-up period. This impact on total income from UI-reported earnings, AFDC/TANF payments, and Food Stamp payments represents an 11 percent increase over the AFDC average of $28,831.

FTP's impact on UI-reported earnings for the least at-risk subgroup is worth further examination to determine the extent to which employed FTP group members may have earned more than employed AFDC group members. In short, it appears that about half the impact on earnings for the least at-risk subgroup was derived from an increase in quarterly employment rates and that about half was due to an increase in the average quarterly earnings of those employed. In particular, for the least at-risk subgroup, FTP increased earnings by a total of $4,221 over the four-year follow-up period. This represents an average increase of just over $260 per quarter and is approximately 19 percent higher that the AFDC group average of $1,419 in earnings per quarter. At the same time, FTP increased employment rates by 5 percentage points per quarter over the four-year follow-up period. This is approximately 9 percent higher than the average AFDC group employment rate of 57 percent per quarter. Employed FTP group members earned an average of $2,723 per quarter, compared with $2,495 per quarter for employed AFDC group members. This represents an increase of about 9 percent over the AFDC group average. Thus, FTP increased employment rates by about 9 percent and increased earnings per employed sample members by another 9 percent, resulting in the overall increase in earnings of approxi-

Table 3.7

Florida's Family Transition Program

Four-Year Impacts for Welfare Dependency Subgroups

	Least at Risk			Medium Risk			Most at Risk			
Outcome	FTP Group	AFDC Group	Impact	FTP Group	AFDC Group	Impact	FTP Group	AFDC Group	Impact	Subgroup Differences
Percent employed per quarter, years 1-4	61.8	56.9	5.0 **	44.4	39.6	4.8 ***	42.7	39.0	3.7 *	
Year 1	61.9	61.5	0.4	38.9	36.1	2.8	29.7	23.3	6.3 **	
Year 2	63.8	58.4	5.4 *	45.5	38.1	7.5 ***	44.2	37.8	6.4 **	
Year 3	61.5	53.7	7.8 ***	47.4	39.7	7.7 ***	49.2	45.4	3.8	
Year 4	60.1	53.9	6.3 *	45.6	44.3	1.3	47.6	49.4	-1.7	
Average total earnings, years 1-4 ($)	26,935	22,714	4,221 ***	13,888	11,867	2,021 **	12,048	10,571	1,477	
Year 1	5,324	5,011	313	2,221	1,948	273	1,304	1,123	181	
Year 2	6,617	5,442	1,175 ***	3,187	2,637	550 **	2,816	2,337	479 *	
Year 3	7,234	5,648	1,585 ***	4,066	3,270	796 ***	3,710	3,180	530	
Year 4	7,760	6,613	1,147 **	4,414	4,013	402	4,219	3,930	288	
Percent receiving AFDC/TANF per quarter, years 1-4	19.5	22.5	-3.1 *	36.5	39.4	-2.9 **	54.7	60.3	-5.6 ***	
Year 1	41.8	41.2	0.6	67.4	64.4	2.9	89.9	87.7	2.1	
Year 2	20.9	24.2	-3.3	42.7	42.5	0.2	67.9	69.0	-1.1	
Year 3	9.3	15.5	-6.1 ***	23.9	30.6	-6.7 ***	43.3	51.6	-8.2 ***	
Year 4	5.8	9.2	-3.4 **	12.1	20.2	-8.2 ***	17.7	33.0	-15.3 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	1,726	2,216	-490 **	3,647	4,311	-664 ***	6,895	7,982	-1,087 ***	
Year 1	976	1050	-75	1,878	1,870	7	3,171	3,190	-19	
Year 2	423	575	-151 **	1,023	1,144	-121 *	2,123	2,305	-182	
Year 3	196	373	-178 ***	491	793	-301 ***	1,149	1,517	-368 ***	
Year 4	131	217	-87 **	254	503	-249 ***	451	969	-518 ***	***
Average total value of Food Stamp payments received, years 1-4 ($)	3,370	3,901	-531 **	5,626	6,175	-549 **	9,807	10,280	-473	
Year 1	1,395	1,556	-161 *	2,005	2,200	-195 ***	3,089	3,230	-141	
Year 2	872	1,059	-187 **	1,500	1,668	-169 **	2,587	2,780	-194	
Year 3	610	782	-173 **	1,194	1,275	-80	2,153	2,341	-188	
Year 4	494	504	-11	926	1,032	-106	1,978	1,928	50	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	32,031	28,831	3,200 **	23,160	22,353	807	28,750	28,832	-82	
Year 1	7,695	7,617	77	6,104	6,018	86	7,564	7,543	20	
Year 2	7,913	7,076	837 *	5,710	5,449	260	7,526	7,423	103	
Year 3	8,039	6,804	1,235 **	5,752	5,338	414	7,012	7,038	-26	
Year 4	8,384	7,334	1,050 *	5,595	5,548	47	6,648	6,828	-180	
Sample size	352	353		701	704		352	353		

(continued)

Table 3.7 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

The AFDC dependency index is based on prior quarter employment, total number of months employed prior to random assignment, whether a sample member received AFDC in the quarter prior to RA, total number of months of AFDC received prior to RA, the age of youngest child, and whether a sample member had a high school diploma or GED at baseline.

"Most at risk" sample members are those whose risk score is in the top quartile of the distribution of the dependency index.

"Least at risk" sample members are those whose risk score is in the bottom quartile of the distribution of the dependency index.

"Medium risk" sample members are those whose risk score falls in the interquartile range of the dependency index.

mately 19 percent.[8] This pattern contrasts with FTP's impact on earnings for the medium-risk and most at-risk subgroups, which were generated primarily by increases in employment rates.

The most at-risk subgroup experienced more substantial reductions in AFDC/TANF and Food Stamp payments and more modest increases in earnings. Although FTP's impact on earnings for this subgroup was not statistically significant, it was enough to offset the $1,560 reduction in AFDC/TANF and Food Stamp payments that occurred over the four-year follow-up period. In short, over the course of the four-year follow-up period, the most at-risk subgroup broke even by exchanging reductions in welfare payments for slight increases in employment and earnings. It is important to note, however, that this subgroup experienced a slight (not statistically significant) loss in income during the fourth year of follow-up as reductions in AFDC/TANF payments continued from the third year and impacts on earnings declined. Additional analysis (not shown) found that this trend continued for the most at-risk subgroup into the fifth year of follow-up as slight earnings increases offset reductions in AFDC/TANF and Food Stamp payments.

B. Employment Barrier Subgroups

The welfare dependency subgroups highlight significant variation both in the background characteristics of the report sample and in FTP's impact on income from earnings and welfare. Further analyses indicate, however, that even within each of these the subgroups there is still a fair amount of variation. Most important, within the most at-risk subgroup there is a group who also faced particularly severe barriers to employment and were likely to be particularly vulnerable to losing income if they hit the time limit without a job to fall back on. It appears, in fact, that FTP produced a modest loss in income for this smaller group; this loss was largest in the fourth year of the follow-up period.

This section of the chapter focuses on those in the most at-risk subgroup who also faced three key barriers to employment: (1) the sample member had no high school diploma or GED at the time she entered the FTP study; (2) the sample member had no UI-reported employment during the year prior to entering the FTP study; and (3) the sample member reported receiving AFDC/TANF for two or more years prior to entering the FTP study. This group of 273 sample members comprises approximately 40 percent of the most at-risk subgroup and approximately 10 percent of the report sample.[9] For the

[8]Some of the increase in earnings among employed sample members may have been due to an increase in the number of hours worked per quarter, and some may have been due to an increase in hourly wages. The UI data do not provide information on these measures. The four-year survey, which provides wage and hours worked for the current or most recent job, does not provide this information reliably for the full follow-up period, including the second and third year, when this subgroup achieved its strongest earnings gains, according to the UI data.

[9]In addition to these individuals, the sample also includes 163 individuals who faced all three of these employment barriers but were identified in the other welfare dependency subgroups (almost exclusively in the medium-risk subgroup). The impact analysis indicates that FTP also produced income losses for this subgroup. It appears, however, that some of this apparent income loss may actually have been an artifact of this group's being highly mobile and of the UI data's not reflecting a complete record of earnings. For example, the UI data indicate that none of these individuals was employed during the year prior to random assignment, while self-reported information from the BIF indicates that 19 percent of these individuals were employed during this period. Also, 47 percent of this group were never employed during the four-year follow-up period according the UI data, while only 23 percent reported never being employed according to survey data. Much of this discrepancy may be due to the high mobility rates for this group. For example, 39 percent of this group moved to Florida from another state prior to random assignment, and 19

(continued)

purposes of this discussion, this subgroup is referred to as the "highly disadvantaged" subgroup. Table 3.8 presents a summary of impact findings for this subgroup.

It is important to examine the highly disadvantaged subgroup closely, because its members were especially vulnerable to significant income losses as a result of FTP's time limit and service requirements (which included welfare sanctions). Judging from the outcomes for the AFDC group, displayed in Table 3.8, this group had relatively low rates of employment and high rates of AFDC/TANF receipt throughout the four-year follow-up period. In all, although this group obtained an average of $29,170 in total income from earnings, AFDC/TANF, and Food Stamps over the follow-up period, only 25 percent of income was derived from earnings. Even during the fourth year of follow-up, only 45 percent of this group's income was derived from earnings.

The pattern of impacts for the highly disadvantaged subgroup suggests that this vulnerability resulted in some loss of income (though the differences are not statistically significant). In short, the subgroup experienced a loss (not statistically significant) of just over $2,000 in total income over the four-year follow-up period. This represents a reduction of 7 percent, compared with the AFDC group's four-year average of $29,170. There are several notable features of the impact findings for the highly disadvantaged subgroup. First, the income losses increased steadily from the second year of the follow-up period. By the fourth year, a minus $737 impact represents an 11 percent reduction, compared with the AFDC group's average of $6,776.

Second, further analyses indicate that some of the income loss for this group was likely to be due to the enforcement of FTP's time limit. For example, 28 percent of FTP group members had their AFDC/TANF grants terminated because they hit the time limit, and 70 percent of those who hit the time limit had no employment to fall back on. Another 15 percent of the FTP group reached their time limit but received an exemption that enabled them to continue receiving AFDC/TANF.

Third, Table 3.8 shows that this subgroup lost roughly similar amounts of Food Stamp payments and AFDC/TANF payments over the four-year follow-up period. In all, reductions in these welfare payments totaled just over $3,600 (a 17 percent reduction, compared with the AFDC group's average welfare payments). Although this group experienced some increase in earnings (not statistically significant), this was not nearly enough to offset the losses in AFDC/TANF and Food Stamp payments. In should be noted, however, that employment impacts for this group appear to have rebounded somewhat during the first half of the fifth year of follow-

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percent of the survey respondents moved from Florida to another state during the follow-up period. This mobility dramatically increased the likelihood that the administrative records data would not include income from earnings and welfare that these sample members obtained in other jurisdictions. The mobility rates and discrepancies in employment indicators are substantially smaller for those from the most at-risk subgroup who also faced the three key employment barriers. Thus, unlike the income losses observed for those in the medium-risk subgroup, which may be due in part to the fact that UI data are available only for those working in Florida, it is more likely that income losses among those in the most-at risk group were due to a lack of impact on earnings in the face of reductions in welfare payments.

Table 3.8
Florida's Family Transition Program
Four-Year Impacts for the Highly Disadvantaged Subgroup

Outcome	FTP Group	AFDC Group	Difference		Percentage Change
Percent employed per quarter, years 1-4	37.1	34.2	3.0		8.7
Year 1	23.4	18.9	4.5		24.0
Year 2	38.1	31.9	6.2		19.5
Year 3	41.5	40.7	0.8		2.0
Year 4	45.5	45.1	0.4		0.9
Average total earnings, years 1-4 ($)	9,020	7,447	1,573		21.1
Year 1	912	676	236		34.9
Year 2	2,044	1,453	591	*	40.7
Year 3	2,645	2,251	394		17.5
Year 4	3,419	3,067	352		11.5
Percent receiving AFDC/TANF per quarter, years 1-4	58.1	66.9	-8.8	***	-13.1
Year 1	91.8	91.2	0.6		0.6
Year 2	72.9	75.5	-2.7		-3.5
Year 3	49.6	60.2	-10.6	**	-17.6
Year 4	18.4	40.9	-22.5	***	-55.0
Average total AFDC/TANF payments received, years 1-4 ($)	7,582	9,474	-1,893	***	-20.0
Year 1	3,421	3,615	-194		-5.4
Year 2	2,352	2,733	-381	*	-13.9
Year 3	1,345	1,856	-511	***	-27.5
Year 4	464	1,269	-806	***	-63.5
Percent receiving Food Stamps per quarter, years 1-4	80.1	81.8	-1.7		-2.1
Year 1	94.0	95.9	-1.8		-1.9
Year 2	83.4	86.2	-2.8		-3.3
Year 3	76.6	76.5	0.0		0.1
Year 4	66.2	68.4	-2.2		-3.2
Average total Food Stamps payments received, years 1-4 ($)	10,528	12,249	-1,721	**	-14.0
Year 1	3,204	3,652	-448	**	-12.3
Year 2	2,775	3,315	-540	**	-16.3
Year 3	2,392	2,841	-448	*	-15.8
Year 4	2,157	2,440	-283		-11.6
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	27,130	29,170	-2,040		-7.0
Year 1	7,537	7,944	-407		-5.1
Year 2	7,171	7,501	-331		-4.4
Year 3	6,383	6,948	-566		-8.1
Year 4	6,039	6,776	-737		-10.9
Sample size (total=273)	144	129			

(continued)

Table 3.8 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: The "highly disadvantaged" subgroup comprises sample members from the most at-risk subgroup who also had no high school diploma or GED; had no UI-reported earnings in the year prior to random assignment; and reported receiving AFDC/TANF for two or more years prior to random assignment.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

up. For example, by the second quarter of year 5, 50 percent of the FTP group were employed, compared with 46 percent of the AFDC group. It may be that those who reached the time limit eventually began to find work.

Although FTP appears to have produced some reduction in income for this subgroup, the program did increase the proportion of income the FTP group derived from earnings. For example, further analysis of the information in Table 3.8 shows that, during the fourth year of follow-up, the FTP group derived an average 57 percent of income from earnings, compared with only 45 percent for the AFDC group. The occurred because of the slight increase in earnings combined with the more substantial reduction in AFDC/TANF payments.[10]

[10]Appendix B includes tables summarizing impact findings for several sets of subgroups defined using various combinations of employment barriers. In general, these tables suggest that FTP produced income losses for the most disadvantaged subgroups. These tables indicate, however, that the pattern of impacts (particularly for those who faced multiple barriers to employment) is sensitive to specifications of the characteristics and data sources used to define the subgroups. Results seem to be especially sensitive to the data sources (UI records or self-reported BIF data) and specifications used to define levels of employment prior to random assignment. As discussed above, it appears that the administrative records data may not fully capture earnings from work for a small, but influential, sample of individuals with no UI-reported earnings prior to random assignment. As a result, it may be that some of the apparent income loss for the disadvantaged subgroups may be due to increases in mobility or other factors that may have resulted in losing track of earnings information. Thus, readers should be cautious when interpreting these findings. Extensive sensitivity analyses indicate, however, that the impact findings for the subgroup that is the focus of discussion in this chapter (those in the most at-risk subgroup who also faced the three key barriers to employment) appear to be substantially less vulnerable to these complications.

Chapter 4

FTP's Impact on Household Income and Material Well-Being

As noted in Chapter 3, the administrative records that were used to assess the impact of FTP on UI-reported employment and earnings and on AFDC/TANF and Food Stamp receipt and payments have two important limitations. First, the data do not include income that sample members received from other sources, such as child support, Supplemental Security Income (SSI), and employment that was not captured by the state's Unemployment Insurance (UI) records. Second, the data include earnings and welfare information only for the *individuals* who were randomly assigned to the FTP and AFDC groups, not for other members of their households.

This chapter uses data from the FTP four-year client survey to examine FTP's impact on a range of outcomes that could not be assessed with the administrative records. The survey provides a more complete picture of household income; it also offers the opportunity to examine a range of indicators of family well-being, including information about housing and neighborhood conditions, food security, health insurance coverage, use of social services, and the extent to which households were able to meet various material needs.

As noted in Chapter 1, the four-year client survey was administered to 1,729 individuals — 80 percent of the sample members who were attempted for the survey and 61 percent of the full report sample.[1] The survey was administered between 48 and 61 months following an individual's entry into the study sample. Many of the measures presented in this chapter reflect the status of individuals and households during the month prior to their completing the survey.

Following a brief summary of the key findings, the chapter begins by examining the composition of the households in which sample members lived at the time of the survey interview. The third section examines FTP's impact on household income, followed by an assessment of impacts on various measures of family well-being. The chapter also focuses on the extent to which FTP's impact on these measures differed across the subgroups that were introduced in Chapter 3.

I. Findings in Brief

- **FTP had no systematic impact on monthly household income in the month prior to the survey interview. Reductions in welfare payments (which composed a relatively small proportion of household income) were offset by slight increases in earnings and child support payments**.

[1]Appendix A provides an assessment of survey response rates and an analysis of potential response bias. It concludes that among those who completed the survey, there were no systematic differences in the background characteristics of FTP and AFDC group members. This indicates that one may have a high level of confidence that differences in survey-based outcomes between the groups are due to FTP rather than to differences in the characteristics or prior experiences of the two groups. Nevertheless, there were a number of systematic differences between those who completed the survey and those who were not attempted or were attempted but did not complete it. Thus, some caution should be exercised when generalizing the survey-based findings to the full report sample.

The average FTP group household had $1,469 in income from a variety of sources during the month prior to the survey interview. By comparison, the average AFDC group household had $1,379 in income (the approximately $90 difference is not statistically significant). Nearly three-quarters of both the FTP and the AFDC group households included at least one adult wage-earner, and approximately three-quarters of household income for each group was derived from earnings.

- **FTP did not affect hardships associated with material well-being, food security, and the need to rely on social services. The program did produce a slight reduction in hardships associate with housing and neighborhood conditions.**

Although some sample members experienced severe material or food-related hardships during the year prior to the survey interview (between 15 and 20 percent, depending on the particular type of hardship), FTP did not increase or decrease exposure to these problems. FTP did produce a slight reduction in the percentage of FTP group members who reported living in housing arrangements with relatively large numbers of problems (such as broken electrical, plumbing, or heating systems) or in neighborhoods with relatively large numbers of problems (such as high crime rates or drug use).

- **FTP did not produce a systematic increase in household income either for those at the highest risk of long-term welfare dependence or for those at the lowest risk.**

FTP group members at the highest risk of long-term welfare dependency had an average of $1,273 in total household income during the month prior to the survey interview. Approximately 65 percent of this income was derived from the earnings of employed adults in the household. Total monthly income and the proportion of income from earnings were virtually the same for AFDC group members who were also at high risk of long-term welfare dependency. By contrast, FTP group members at the lowest risk of long-term welfare dependency had an average of $1,832 in monthly household income, and nearly 85 percent of this was derived from earnings. Total household income for the AFDC group members at low risk of welfare dependency was $1,601, somewhat lower than for the FTP group, but not statistically significant.

II. Household Composition, Marriage, and Childbearing

Some have speculated that welfare reform policies — and time limits in particular — might generate changes in the composition of households; for example, financial pressure might force former recipients to "double up" with their parents or other relatives. Similarly, some believe that reducing welfare dependency might generate changes in marriage or fertility patterns.

The top panel of Table 4.1 provides a summary of the types of living arrangements that survey respondents reported for their households. The second panel shows the average number of

Table 4.1

Florida's Family Transition Program

Impacts on Household Membership, Marital Status, and Childbearing

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Household membership				
Respondent lives with no other adults (%)	46.6	46.6	0.0	0.0
Lives alone	3.3	2.5	0.8	32.5
Lives with children only	43.3	44.1	-0.9	-2.0
Respondent lives with other adults (%)	53.4	53.4	0.0	0.0
Lives with adults only	6.3	7.7	-1.4	-18.3
Lives with children and spouse only	13.3	13.8	-0.5	-3.9
Lives with children and partner only	8.8	7.1	1.8	25.2
Lives with children and parent only	7.0	7.5	-0.5	-6.6
Lives with children and other adults[a]	18.0	17.3	0.7	4.2
Household composition				
Average number living in household, including respondent	3.9	3.9	0.0	0.0
Average number of adults living with respondent	0.7	0.7	0.0	-0.4
Average number of children living with respondent	2.1	2.2	0.0	-0.5
Marital status				
Married and living with spouse (%)	17.2	19.1	-1.9	-10.0
Separated (%)	15.3	16.7	-1.4	-8.4
Divorced (%)	24.3	23.7	0.6	2.5
Widowed (%)	1.2	1.8	-0.7	-36.7
Never married (%)	42.0	38.6	3.4	8.8
Childbearing				
Gave birth since random assignment (%)	23.9	22.7	1.2	5.3
Currently pregnant (%)	3.8	2.7	1.1	39.5
Sample size (total=1,729)	860	869		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]This category includes respondents who lived with their spouse, partner, or parent, *and* at least one other adult; it also includes respondents who did *not* live with their spouse, partner, or parent, but *did* live with one or more adults (for example, a sibling, adult child, or other relative).

adults and children living in these households. In short, these data indicate that FTP did not generate any significant differences in the size or composition of respondents' households.

The most common living arrangement included a single parent living with her children and no other adults (approximately 44 percent of the sample). As noted in Table 4.1, however, more than half of the households included at least one other adult (in addition to the respondent). Among the households with other adults, more than 40 percent included only the respondent, a spouse or partner, and children (not shown), although there were many other combinations of children and adults.

About 10 percent of households included no children. Further analysis (not shown) found that in about half of these childless households, the respondent's youngest child was no longer a minor by the time the survey was administered. In most of the others, one or more of the minor children were living away from the respondent's home. Although not shown in the table, FTP also did not affect the overall percentage of respondents who had at least one child who did not live with them: About 10 percent of each group had a child living in another household. Most of these children lived with their other parent or with a grandparent.

The third and fourth panels of Table 4.1 show that FTP did not have a systematic impact on marital status or childbearing.[2] The exception to this is that FTP group members were slightly less likely to have been married than their AFDC group counterparts. Nevertheless, FTP did not produce a systematic change in the distribution of marital statuses at the time of the survey. It may be that AFDC group members were slightly more likely to have gotten married and then to have separated during the follow-up period.

As discussed below, other adults in the household were critical providers of income in many households. Box 4.1 lists the types of other adults in the household and indicates the percentages of respondents who reported various sources of household income.

III. Income and Income Sources

A. FTP's Impact on Respondent and Household Income

Table 4.2 presents findings on the amount of income that respondents and other members of their households derived from various sources during the month prior to the survey interview. The top panel shows income for the entire household, the middle panel focuses on the respondent, and the bottom panel shows income for others in the household.[3]

Table 4.2 indicates that FTP produced a slight increase in average respondent income. This was generated by increases in earnings and child support payments that offset reductions in

[2]Further analyses also indicate that there was no difference between groups in the percentage of respondents who reported that they had been pregnant since random assignment but had not given birth (and were not currently pregnant).

[3]The survey categorized all income as being derived by the respondent or "someone else in the household." Thus, it is not possible to attribute income to individual household members (other than the respondent).

Table 4.2

Florida's Family Transition Program

Impacts on Income and Income Sources in Month Prior to Survey Interview

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Average household income ($)				
Total income	1,469	1,379	89	6.5
Earnings	1,114	1,027	88	8.6
AFDC/TANF payments	26	54	-28 ***	-52.2
Food Stamp payments	117	122	-5	-4.2
Child support payments	74	54	20 ***	37.0
SSI payments	97	91	6	6.1
Other sources	41	32	9	28.2
Average respondent income ($)				
Total income	946	887	59 *	6.7
Earnings	654	586	68 **	11.6
AFDC/TANF payments	20	52	-32 ***	-60.8
Food Stamp payments	110	117	-7	-5.9
Child support payments	70	52	18 ***	35.6
SSI payments	58	56	2	4.2
Other sources	34	25	9	35.0
Average income for others in household ($)				
Total income for others in the household	522	492	30	6.1
Earnings	461	441	20	4.5
AFDC/TANF payments	5	2	3 **	180.8
Food Stamp payments	7	5	2	36.3
Child support payments	4	2	2	69.0
SSI payments	39	35	3	9.2
Other sources	7	7	0	2.6
Sample size (total=1,729)	860	869		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

AFDC/TANF and Food Stamp payments. As discussed further in Appendix A, however, the earnings impacts should be viewed with caution because it appears that some AFDC group respondents who were receiving cash assistance may not have fully reported their earnings (a similar dynamic may affect the child support impacts to some extent). Nevertheless, the slight increase in respondent income combined with even smaller increases in average income for others in the household were not enough to produce a systematic increase in total average household income. The $89 difference between the FTP and AFDC groups is not statistically significant.

Box 4.1

Other Adults in Respondents' Households and Their Income Contributions

Overall, 53 percent of FTP group respondents reported that they lived with at least one other adult; 15 percent reported that they lived with at least two other adults. Most commonly, the other adults were the respondent's:

- spouse (17 percent)
- partner (13 percent)
- parent (11 percent)
- adult child (10 percent)

Of the respondents who reported living with at least one other adult:

- 58 percent reported that both they and another household member had income in the prior month.
- 30 percent reported that they had income but that no one else in the household had income.
- 8 percent reported that they had no income but that another household member had income.
- 4 percent reported that no one in the household had any income.

These data suggest that about one-sixth of all FTP group respondents were supporting at least one other adult (in addition to one or more children) who did not provide any income for the household. Most commonly, these adults were parents or adult children, but a number were spouses or partners.

Table 4.2 also indicates that FTP did not produce a systematic change in the distribution of income sources. For example, respondents accounted for approximately 64 percent of total household income for both the FTP and the AFDC groups, and approximately 75 percent of average household income for both groups was derived from earnings obtained by either the respondent or other household members. (See Appendix Table C.1 for data on the percentage of households that derived income from various sources.)

B. Income Sources for FTP Group Households

The four-year survey data provide a number of important insights into the means FTP households used to support themselves. First, further analyses indicate that FTP households drew on many more income sources and larger amounts of income than the income captured by the administrative records systems used in Chapter 3. For example, during the quarter of the survey interview, FTP group respondents derived an average of $1,984 in income from UI-reported earnings, AFDC/TANF payments, and Food Stamp payments. This is equivalent to approximately $661 per month. By contrast, as shown in Table 4.2, average income for FTP group respondents during the month prior to the survey interview was $946 (more than 40 percent higher than the income indicated by the administrative records data). Respondent income was higher in the survey analysis primarily because the survey-reported employment rate was higher than the rate measured via administrative records. For example, 67 percent of FTP group respondents reported that they were employed at the point they were interviewed, compared with a 54 percent rate of UI-reported employment during the quarter of the survey interview. In addition, about 17 percent of respondents' income was derived from child support, SSI, and other sources that were not covered in the records.

Also, according to the survey, average household income was $1,469. This is more than twice the income indicated in the UI, AFDC/TANF, and Food Stamp records. As shown in Table 4.2, other members of the household contributed an average of $522 in income — more than one-third of total household income. Nevertheless, the pattern of impacts shown in Table 4.2 is generally consistent with results discussed in Chapter 3 for the end of the follow-up period. As noted above, there was no systematic difference in household income between the two groups.

Second, the survey asked sample members about the amount of money they had been able to save since random assignment and the amount of debt they were carrying at the time of the interview. As discussed in Chapter 3, FTP produced an overall increase in income from UI-reported earnings, AFDC/TANF, and Food Stamps over the full four-year follow-up period. This might have translated into higher levels of assets or lower levels of debt. In fact, however, the survey data show that the FTP and AFDC groups had similar levels of savings (more than 70 percent of each group reported having no savings), debts (about 40 percent of each group reported debts of at least $1,000), and car ownership (about 60 percent of each group reported owning a vehicle). These results are shown in Appendix Table C.2.

Third, the survey helps shed light on how families attempted to make ends meet when no one in the household was working. Approximately 28 percent of FTP group respondents reported that no one in the household was working. Seventy-four percent of these households reported receiving cash or near-cash public assistance (AFDC/TANF, Food Stamps, or SSI). In addition, about 27 percent reported living in public or subsidized housing, and 25 percent reported receiving child support. Nevertheless, the average income of these nonworking households was only $523 in the month prior to the interview (compared with $1,830 for FTP group households with earnings). Interestingly, however, the nonworking FTP group households were only slightly more likely than households with at least one wage-earner to be classified as "food insecure," according to a widely used indicator (described later in the chapter): 38 percent of nonworking households were food insecure, compared with 33 percent of working households. One possible explanation for the small difference is that about 59 percent of non-

working households (compared with 48 percent of working households) reported that they had borrowed or gotten money from friends or relatives in the prior year.

Finally, while most households were not heavily dependent on public assistance, household income was generally quite low. Although the survey data do not provide all the information needed to calculate the official poverty rate for this sample, total income for more than half the FTP households was below the official poverty threshold for a household of that size. Lack of high-wage employment (or, in some cases, no employment at all) was a key factor contributing to the low-income status of many households. Another factor was the low level of child support: Although FTP appears to have modestly increased child support receipt, only about 30 percent of FTP households received any child support in the prior month.

Despite the generally low income levels, fewer than half the households in each group received Food Stamps in the month prior to the interview (not shown). Box 4.2 looks in more detail at the households not receiving Food Stamps.

IV. Impacts on Housing, Health Coverage, and Material Hardship

This section of the chapter examines the extent to which FTP affected three indicators of family well-being: (1) mobility and housing status; (2) health insurance coverage; and (3) hardships related to housing, neighborhoods, food security, and material well-being.

A. Mobility and Housing

Table 4.3 presents information about the residential mobility of the survey respondents and their housing status at the time of the survey interview. The first panel shows that nearly 73 percent of the FTP group moved at some point during the four- to five-year follow-up period. The AFDC group were slightly less likely to move, but the difference is not statistically significant. Some have speculated that FTP's time limit may have induced people to move to other counties in Florida (which, initially, did not have time limits) or to other states (most of which did not have time limits in place until 1996 or 1997). In fact, as shown in Table 4.3, similar percentages of FTP and AFDC group respondents reported that they had lived outside Escambia County and outside Florida during the follow-up period.

The second panel of Table 4.3 lists the various types of housing arrangements that the FTP and AFDC groups reported at the time of the interview. FTP had little impact on these arrangements: About three-fourths of each group reported that they rented a home or apartment, and another one-sixth of each group owned a home. Less than 1 percent of each group reported that they were living on the street or in a shelter when interviewed (not shown in the table).

On average, respondents in both groups reported that their households spent about $450 per month on rent (or mortgage) and utilities. Just over one-fifth of each group was living in public or subsidized housing. Rent for those households was tied closely to income and averaged less than $300 per month (not shown in table). It appears that the FTP group spent a somewhat smaller share of household income on rent and utilities

Overall, a relatively large proportion of respondents were not responsible for bearing the full cost of a market rent or mortgage. For example, among the FTP group, 41 percent reported that they lived in public or subsidized housing, lived rent-free with family or friends or in some

Box 4.2

Characteristics of FTP Group Members Not Receiving Food Stamps

About 56 percent of the FTP group households reported that they did not receive Food Stamp benefits during the month prior to the survey interview.

Reasons for Not Receiving Food Stamps

When asked the main reason why they were not receiving Food Stamps, 50 percent of the FTP group respondents who did not receive benefits indicated that they were not eligible for Food Stamps because their income was too high. Another 18 percent indicated that they did not want to go through the hassle of applying for Food Stamps and preferred not to receive benefits. Nearly 8 percent reported that their benefits had been cut off and did not provide reasons for that action. (The remaining 25 percent gave other reasons.)

Are These Families Eligible for Food Stamps?

The FTP four-year client survey does not provide enough information to determine accurately whether households were eligible for Food Stamps. By comparing total household income from the survey with the Food Stamp gross income limit for a given family size, however, it is possible to estimate how many households were likely to be eligible. For example, if total household income was 90 percent or less of the Food Stamp gross income limit, then it is likely that the household would be eligible to receive Food Stamp payments. According to this criterion, about half of the families who reported that they were not receiving Foods Stamps were, in fact, likely to be eligible for them.

Food-Related Hardships (Past 12 Months)

Overall, about 17 percent of the FTP group respondents who were not receiving Food Stamps were "food insecure," and 16 percent were "food insecure with hunger" according to a widely used indicator (described later in the chapter). In general, respondents who were receiving Food Stamps were somewhat more likely to report food insecurity, probably because these households have lower income, on average (a finding that is consistent with other studies).*

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* See, for example, Polit, London, and Martinez, forthcoming, 2001.

Table 4.3

Florida's Family Transition Program

Impacts on Mobility and Housing Status

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Residential mobility (since random assignment)				
Moved (%)	72.5	69.6	2.9	4.2
Lived outside the county (%)	26.2	25.3	0.9	3.5
Lived outside Florida (%)	16.1	15.9	0.2	1.2
Number of moves				
None	27.7	30.7	-3.0	-9.7
1-2 moves	42.6	41.9	0.7	1.8
3 or more moves	29.7	27.5	2.2	8.1
Housing status				
Owns home (%)	15.8	14.8	1.0	6.6
Rents home or apartment (%)	72.3	74.2	-1.9	-2.6
Lives rent-free with family or friends (%)	7.9	9.0	-1.0	-11.6
Other arrangement, doesn't pay rent (%)	3.9	2.0	2.0 **	98.8
Lives in public or subsidized housing (%)	20.8	22.1	-1.3	-5.9
Percent of monthly household income spent on rent and utilities (%)	32.6	37.1	-4.6 ***	-12.3
Average amount spent on rent and utilities per month ($)	444	448	-4	-1
Crowding[a] (%)	14.5	13.8	0.7	5.3
Sample size (total=1,729)	860	869		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]Crowding was calculated by dividing the number of people living in a household by the number of rooms. If that number exceeded one person per room, the house was considered crowded.

other arrangement, "paid" part of their rent by doing chores or providing services, or received help with housing costs from someone outside the household (not shown).

B. Health Insurance Coverage

Table 4.4 shows the percentage of FTP and AFDC group members who reported that they or their children were covered by medical insurance during the month prior to the survey interview.

Overall, FTP generated no impact on the percentage of respondents who reported being covered by Medicaid or on the percentage covered by other insurance. However, in both groups, a high percentage of respondents — nearly 40 percent — reported having no health insurance.

Low rates of health coverage among adults are not surprising. Chapter 3 showed that most working respondents were not enrolled in employer-sponsored health plans. In Florida, adults off welfare are generally eligible for Medicaid only during the first year after leaving welfare for work, or if they have extremely low income.[4] Of those without any insurance, more than 80 percent had not received welfare in the past 12 months and thus were unlikely to be eligible for transitional Medicaid. Other studies have reported similar findings.[5]

Rates of health insurance coverage — and particularly Medicaid coverage — are higher for children than for adults; in Florida, children in families with income up to 200 percent of the federal poverty line are eligible for health coverage. Still, over 15 percent of the respondents reported that their children had no health insurance.

The relatively low rates of health insurance coverage, when coupled with low levels of income and assets, may put the families at severe financial risk if anyone in these households should incur health problems.

C. Exposure to Hardships

Table 4.5 presents several summary measures of material hardships that survey respondents reported. These measures are indices of the number of problems survey respondents reported in the areas of housing, neighborhood, material needs, social service usage, and food security. Box 4.3 lists the survey items that were used to construct each index.[6] Respondents were asked to indicate whether or not (or in some cases, how much) each item was a problem during the past year. In general, those who reported a relatively large number of problems in a given category were considered to be experiencing "severe" hardship in that area. For the housing and social services indices, severe hardship was defined as reporting two or more problems. For the neighborhood and material hardship indices, severe hardship was defined as reporting four or more problems.

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[4]An adult applying for Medicaid would be ineligible if she or he worked more than 18 hours a week at minimum wage.

[5]A number of national, state, and local studies of welfare leavers are attempting to document the extent to which families continue to participate in Medicaid after leaving welfare. Although there is considerable variability in findings across these studies, they do indicate that approximately one-third to one-half of the leavers stop participating in Medicaid after exit from welfare. Information on the earnings of welfare leavers suggests that many families may be eligible for these benefits but do not receive them (Dion and Pavetti, 2000; Moffitt and Slade, 1997).

[6]Appendix Tables C.3 and C.4 report item-by-item totals for each component of the indices.

Table 4.4

Florida's Family Transition Program

Impacts on Health Insurance Coverage

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Health insurance				
Respondent				
Covered by Medicaid (%)	34.2	36.8	-2.6	-7.0
Covered by non-Medicaid health insurance (%)	26.4	24.8	1.6	6.6
Not covered by any health insurance (%)	39.3	38.4	0.9	2.4
Children				
Some or all children covered by Medicaid (%)	50.8	53.4	-2.6	-4.8
Some or all covered by non-Medicaid health insurance (%)	21.5	20.5	1.0	4.9
All children not covered by any type of health insurance (%) [a]	16.9	15.7	1.2	7.8
No children in the household (%)	11.6	11.5	0.2	1.7
Sample size (total=1,729)	860	869		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]The survey data cannot reliably identify all households in which *any* children are not covered by health insurance.

Table 4.5

Florida's Family Transition Program

Impacts on Hardship Indicators

Outcome	FTP Group (%)	AFDC Group (%)	Difference		Percentage Change
Number of neighborhood problems					
0	32.9	33.7	-0.8		-2.3
1-3	49.9	45.3	4.6	*	10.1
4 or more	17.2	21.0	-3.8	*	-18.1
Number of housing problems					
0	64.1	60.8	3.3		5.4
1	21.8	20.8	1.0		4.8
2 or more	14.1	18.4	-4.3	**	-23.3
Number of material hardships					
0	36.0	34.7	1.3		3.7
1-3	45.8	45.4	0.4		0.8
4 or more	18.3	19.9	-1.7		-8.3
Number of social services used					
0	58.7	58.8	-0.1		-0.2
1	22.1	22.0	0.1		0.6
2 or more	19.2	19.2	0.0		-0.2
Food security					
Food secure	66.0	64.2	1.8		2.7
Food insecure	18.3	18.8	-0.5		-2.7
Food insecure with hunger	15.8	17.0	-1.3		-7.4
Number of "severe hardships"[a]					
0	51.7	50.1	1.5		3.0
1-3	39.5	35.7	3.7		10.5
3 or more	8.9	14.1	-5.3	***	-37.2
Lived on the street or in a shelter at some point in the 12 months prior to the interview	3.7	4.9	-1.1		-23.4
Sample size (total=1,729)	860	869			

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]"Severe hardships" are based on the categories above and include: 4 or more neighborhood problems, 2 or more housing problems, 4 or more material hardships, 2 or more social services used, food insecure with hunger.

Box 4.3

Components of Hardship Indicators

Housing conditions

Leaky roof or ceiling
Broken plumbing
Broken windows
Electrical problems
Roaches/insects
Heating system problems
Broken appliances

Neighborhood problems

Unemployment
Drug users or pushers
Crime, assault, or burglaries
Run-down buildings and yards
Noise, odors, or heavy traffic

Material hardships

Could not pay full amount of rent or mortgage
Evicted for not paying rent or mortgage
Could not pay full amount of utility bills
Electric or gas turned off
Telephone disconnected
Unmet medical needs
Unmet dental needs

Social service usage

Rental assistance programs
Utility assistance programs
Prescription drug assistance programs
Food banks
Soup kitchens
Second-hand clothes

The food security index is based on a subset of the questions in the Household Food Security Scale that is administered by the Census Bureau each year in the Current Population Survey. The short version of the scale includes six items and classifies respondents into one of three categories: food secure (respondents indicated no or only one food-related hardship); food insecure without hunger (respondents indicated two, three, or four food-related hardships); or food insecure with hunger (respondents indicated five or six of the food-related hardships). According to one definition, food insecurity exists when "the availability of nutritionally adequate and safe foods or the ability to acquire acceptable foods in socially acceptable ways is limited or uncertain."[7]

[7]See Polit, London, and Martinez, forthcoming, 2001.

Overall, levels of material hardship are relatively high. Between 15 and 20 percent of both the FTP and the AFDC groups (depending on the particular hardship indicator) reported severe hardship along each of the dimensions measured. Almost half of each group reported a severe hardship in at least one area. On the other hand, most respondents did not experience severe hardship in multiple areas; for example, about 33 percent reported severe hardships in two or more areas.

Table 4.5 shows that FTP slightly reduced the percentage of households who reported experiencing a relatively large number of housing and neighborhood problems. The FTP group was somewhat less likely than the AFDC group to report multiple housing problems such as a leaky roof, broken windows, or problems with plumbing, electrical, or heating systems. Among the FTP group, 14 percent reported two or more of these housing problems, compared with 18 percent of the AFDC group. Similarly, the FTP group was somewhat less likely than the AFDC group to live in neighborhoods with a combination of problems like high crime rates, drug use, run-down buildings, high unemployment, or congestion. On this index, 17 percent of the FTP group reported four or more neighborhood problems, compared with 21 percent of the AFDC group. Although not shown in the table, FTP also reduced the percentage of respondents who reported that, at the end of the month, they usually did not have enough money to make ends meet (37 percent for the AFDC group and 31 percent for the FTP group).

Overall, it does not appear that FTP produced any systematic change in the extent to which FTP families experienced severe hardships in material well-being, use of social services, and food security. In the case of material well-being, although there are no program impacts, nearly two-thirds of both the FTP and the AFDC groups reported at least one hardship. Nearly one-third of both groups had trouble paying the full amount of rent or mortgage or utility bills, and a similar fraction had had their telephone disconnected in the past year (see Appendix Table C.4 for item-by-item totals).

With regard to food security, approximately 34 percent of the FTP group and 36 percent of the AFDC group experienced food insecurity in the 12 months preceding the survey interview; just under half of these respondents experienced food insecurity with hunger. Nationally, just over 10 percent of the U.S. households in 1998 were food insecure,[8] but food insecurity is much higher among low-income households. A recent analysis of food security among samples of low-income women living in large urban areas classified close to 51 percent of the sample as food insecure; 15 percent of the sample was classified as being food insecure with hunger. That study also found that parents in many low-income families who were officially classified as food secure spent a great deal of time and energy obtaining food.[9]

Overall, FTP did reduce the percentage of FTP group members who reported severe hardships in three or more of the areas listed in Table 4.5. Most of this reduction is due to the reduction in the prevalence of multiple housing or neighborhood problems.

[8]Bickel, Carlson, and Nord, 1999.

[9]See Polit, London, and Martinez, forthcoming, 2001.

V. Impacts for Subgroups Defined by Characteristics Associated with Long-Term Welfare Dependency and Employment Barriers

Chapter 3 examined FTP's impacts on employment and public assistance outcomes for three subgroups of the sample, defined by characteristics associated with the risk of long-term welfare dependency and barriers to employment. In general, the program's positive impacts on employment, earnings, and income were concentrated among the group least at risk of long-term dependency (though most impacts are not statistically significant). For the most at-high-risk group, FTP generated little or no impact on earnings or employment; income was either unaffected or declined slightly.

Table 4.6 summarizes a variety of measures obtained from the survey for the three welfare dependency subgroups. In general, the results are consistent with those measured via administrative records at the end of the follow-up period. Overall levels of household income are highest for the least at-risk group, and the increase in household income generated by FTP appears to be largest for this group (although the difference is not statistically significant). The program's positive impacts on child support are concentrated in the medium-risk and most at-risk groups.

Respondents in the least at-risk group were more likely to report no children living in their household (presumably because these sample members were less likely to have young children at baseline), but FTP had no systematic impact on household composition for any of the groups.

Interestingly, despite the differences across groups in average income levels, there are few differences in the levels of hardships for AFDC group respondents in the three groups. FTP reduced the percentage who reported experiencing severe housing problems for the least at-risk group and reduced the percentage experiencing neighborhood problems for the most at-risk group.

Analyses were also conducted to examine FTP's impact on household composition, income, and family well-being indicators for the subgroups defined by employment barriers. Unlike the findings from the administrative records data discussed in Chapter 3, there was no reduction in respondent or household income for the most disadvantaged subgroup (those in the most at-risk subgroup who also faced all three barriers to employment). FTP also had no systematic effects on household composition or reports of severe hardship for the most disadvantaged.

Table 4.6

Florida's Family Transition Program

Summary of Impacts on Household Membership, Income, and Family Well-being

Outcome	Low Risk FTP Group	Low Risk AFDC Group	Low Risk Difference	Medium Risk FTP Group	Medium Risk AFDC Group	Medium Risk Difference	High Risk FTP Group	High Risk AFDC Group	High Risk Difference	Variation in Subgroup Impacts
Household membership (%)										
Lives alone	4.1	3.4	0.7	3.6	2.6	0.9	2.1	1.5	0.7	
Lives with adults only	8.7	11.0	-2.4	7.1	8.3	-1.2	3.0	3.3	-0.4	
Lives with children only	36.1	41.2	-5.1	42.4	40.8	1.6	51.8	52.5	-0.7	
Lives with children and spouse only	16.9	15.9	1.0	15.3	13.5	1.8	6.2	12.6	-6.4 **	**
Lives with children and partner only	6.2	6.9	-0.7	8.5	8.0	0.5	11.4	6.1	5.4 **	
Lives with children and parents only	7.5	6.2	1.3	6.4	8.2	-1.8	7.7	7.5	0.2	
Lives with children and other adults	20.5	15.4	5.1	16.8	18.6	-1.8	17.8	16.7	1.2	
Household income ($)										
Total income	1,832	1,601	231	1,395	1,352	43	1,273	1,241	32	
Earnings	1,543	1,321	222	1,067	1,024	43	808	778	30	
AFDC/TANF payments	10	22	-12 *	29	56	-27 ***	35	78	-44 ***	**
Food Stamp payments	54	66	-12	107	115	-8	192	185	7	
Child support payments	89	72	17	65	45	21 **	78	53	25 **	
SSI payments	69	76	-7	91	85	6	133	114	19	
Other sources	67	45	22	35	27	8	28	33	-5	
Hardship indicators (%)										
2 or more housing problems	11.8	19.2	-7.4 **	12.9	16.7	-3.8	17.9	21.5	-3.6	
4 or more neighborhood problems	15.2	13.5	1.7	17.4	22.1	-4.6	18.6	25.8	-7.2 *	
4 or more material hardships	18.0	19.6	-1.6	19.3	19.7	-0.4	16.6	20.8	-4.2	
2 or more social services used	14.3	17.7	-3.4	19.4	19.4	0.0	22.1	21.1	1.0	
Food insecure with hunger	17.8	16.8	1.0	16.0	17.6	-1.6	13.3	16.5	-3.2	
Sample size (total=1,729)	207		205	432	429	205			230	

(continued)

Table 4.6 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF 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 differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. These results are presented next to the "difference" column.

Rounding may cause slight discrepancies in the calculation of sums and differences.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Chapter 5

FTP's Effects on Children, Part 1: Child Care and Father Involvement

Although Florida's Family Transition Program (FTP) was designed to affect employment, income, and welfare dependency, FTP may have had effects on families beyond these primary targets of the program. By increasing employment, FTP may have affected the care that children experienced. By designating caseworkers for child support issues, FTP may have increased the material and nonmaterial support of noncustodial biological fathers. The increases in employment over the follow-up period may have implications for the well-being of children and families. This chapter presents the effects of FTP on children's out-of-home environments, specifically, children's use of child care and their involvement with their noncustodial fathers. The way in which FTP affected child care and children's involvement with their biological father may suggest some hypotheses about how FTP may have affected family and child functioning. The effects of FTP on family and child functioning are presented in Chapter 6.

In this chapter, the effects of FTP are examined primarily for a set of families with children between the ages of 5 and 12 years at the time of the four-year follow-up interview. For a few outcomes, findings are also presented for children born after random assignment (children ages 0-4 at the time of the four-year interview) and for older children (ages 13-17 at the time of the four-year interview). Findings are first presented for all families, including those in both the Aid to Families with Dependent Children (AFDC) group and the FTP group, and then differences in the impact of FTP are examined for families differing in their risk status at baseline.[1] This allows us to examine whether any average effects overall mask important variation within the sample.

I. Findings in Brief

- **FTP increased use of child care at the time of the four-year interview for younger preschool children and early-school-age children.** Increases in child care for younger children (those born after random assignment) were not concentrated in any particular type of care (relative, nonrelative, formal). For children who were 5-12 at the four-year follow-up, FTP increased children's use of relative care arrangements but not nonrelative or formal care. For adolescents, there were no increases in child care or their participation in after-school activities.

- **FTP increased the stability of care for children ages 5-12 but had no impact on the quality of child care.** Children in FTP were more likely than children in AFDC to be in care continuously for six months. However, based on mothers' per-

[1]The "effect sizes" of all impacts presented in this chapter are provided in Appendix E. The effect size is computed by dividing the impact by the standard deviation, or average variation, in the AFDC group, and can be used to understand the magnitude of the effect.

ceptions of the quality of care, children in FTP were no more likely than their AFDC peers to be in low-quality arrangements.

- **Child care subsidies were more likely to be provided for children in the FTP group relative to those in the AFDC group, although there were no differences between the two groups by the fourth year of follow-up.** FTP's largest impacts were on care subsidies provided to families during participation in activities while still receiving welfare. FTP also increased (but to a much lesser extent) the proportion of children for whom transitional child care subsidies were provided (for parents making the transition from welfare into employment). Consistent with FTP's extension of transitional child care, it slightly reduced the proportion for whom income-eligible child care subsidies were provided (which families were eligible to receive once their transitional benefits were exhausted).

- **FTP increased the financial support and involvement of noncustodial biological fathers for children ages 5-12.** Children in the FTP group were more likely to be cared for by their noncustodial biological father than children in the AFDC group. Also, FTP increased the proportion of families receiving money from the father through formal or informal means. These impacts on father involvement generally did not differ for families least and most at risk of long-term welfare dependency.

- **There were some unexpected differences in impacts on child care use and subsidies by family risk status at random assignment.** For families who were least likely to be welfare dependent — for whom FTP increased employment and earnings at the end of the follow-up period — FTP did not increase child care. Paradoxically, FTP's increases in child care may have been concentrated among the most at-risk families. Impacts on stability and quality of care did not differ across the subgroups, however, and FTP increased most forms of child care subsidies equally for both the least and the most at-risk subgroups. However, FTP slightly increased the provision of child care subsidies for protective service cases for families least at risk of welfare dependency, suggesting some increased difficulties for these least at-risk families due to FTP.

II. How Might FTP Affect Children and Families?

Several experimental evaluations recently released can inform our understanding of how FTP may affect children. The findings suggest that effects on children in programs that increase employment but not income are not common.[2] However, programs that increase both employment and income (through supplementing earnings) seem to have more consistent positive effects on children, at least in

[2]Hamilton, 2000.

the middle-childhood age range.[3] For older children, however, there is some suggestion that adolescents have difficulties when their parents engage in greater levels of employment.[4]

While relevant to the understanding of the effects of FTP, there are some important differences between the FTP evaluation and those studies described above. In FTP, increases in income were more modest and were driven by increases in earnings alone, rather than by earnings in addition to wage supplements. Since employment effects on children may be positive or negative, the fact that the increases in income came only from earnings makes the effects of this study more ambiguous than those of evaluations that increased income by increasing earnings as well as supplements to families. In addition, none of these studies examined the effects of a time-limited welfare program. One possible outcome of time limits is that they will provide a boost to families' employment, increasing maternal self-esteem and benefiting children and families. In contrast, others worry (particularly for hard-to-employ cases) that time limits will result in considerable family stress for those who hit the limit, even if families do not experience a loss of income. That is, the knowledge of time limits may have negative effects on parental well-being, and, in turn, on children's functioning. FTP is unique in its ability to inform our understanding about how families and children may be influenced by a time limit on welfare benefits when that time limit is combined with other services and mandates.

The model presented in Figure 5.1 illustrates some of the pathways by which FTP may affect child and family functioning. The four major components of the FTP program are listed in the first box on the left. These include (1) an enhanced earnings disregard, (2) a time limit, (3) enhanced services and requirements, and (4) parental responsibility mandates. The first three may directly affect the outcomes listed under "parental economic outcomes": employment, income, and public assistance. These changes in employment and assistance patterns may, in turn, affect the child care that children experience, the quality of children's home environment, and other aspects of family functioning. These are listed in the box labeled "intermediate outcomes." In addition, the "messages" that these components convey to families may directly affect parental functioning and, in turn, children's outcomes. The fourth component of the FTP program, parental responsibility mandates, likely affects children more directly. This component may directly affect children by affecting parental behavior (listed in the "intermediate outcomes" box).

It is through changes in the intermediate outcomes that children are most likely to be affected by the earnings disregard, time limit, services, and requirements of FTP.[5] Intermediate outcomes are divided into two main categories: (1) resources, which include the material and nonmaterial resources parents can provide for their children both by purchasing items for the children (like books and toys) and by influencing the environments that children experience (like child care and after-school activities); and (2) socialization, which includes parental emotional adjustment and the relationships between parents and children. Nonexperimental research is reviewed below in order to develop some initial hypotheses about how FTP may affect children and their families.

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[3]Bos et al., 1999; Gennetian and Miller, 2000; Morris and Michalopoulos, 2000.

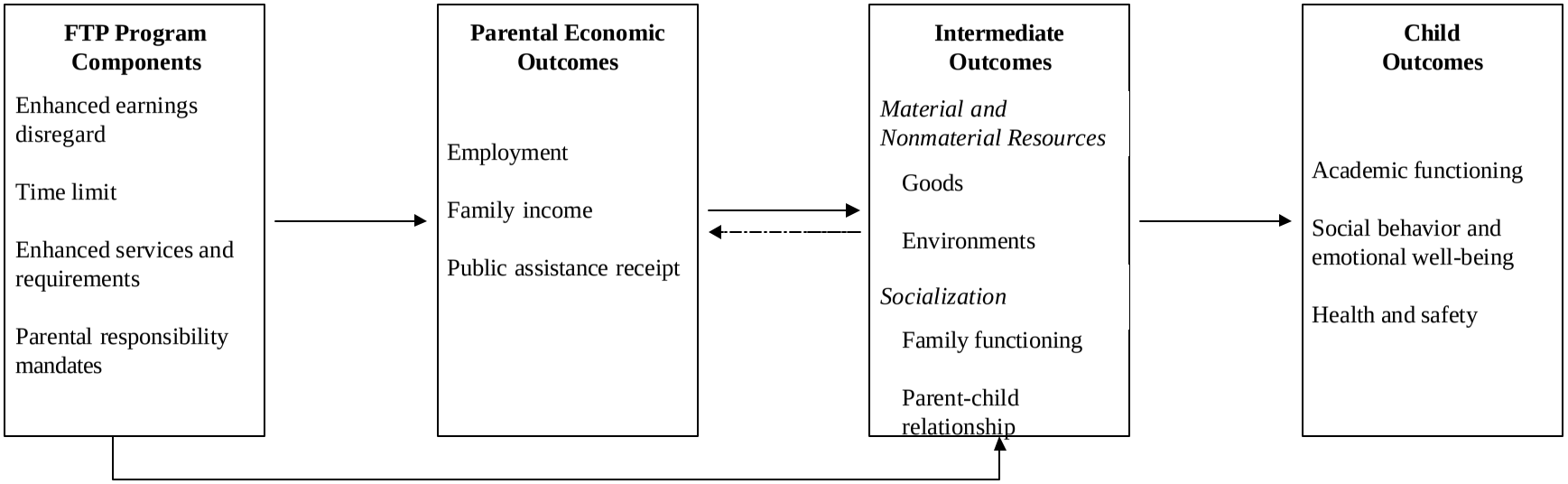
[4]Morris and Michalopoulos, 2000.

[5]Notably, changes in child care, parenting, and child functioning can feed back and enhance the primary targets of the intervention — employment, public assistance, and income. However, for simplification, this discussion focuses on the way in which the primary targets, through changes in children's resources and socialization, affect child outcomes.

Figure 5.1

Florida's Family Transition Program

Conceptual Model of the Effects of FTP on Child Outcomes



A. How Might FTP's Effects on Employment Affect Children and Families?

As indicated earlier, FTP increased employment in years 2 and 3 after random assignment, although the impacts of FTP on employment declined by the end of the follow-up period. How might these increases in employment over the follow-up period affect children and families? Employment may benefit children by increasing family resources, providing a role model for children, and increasing the regularity of routines in the home. On the other hand, employment may increase maternal stress, which may, through changes in parental behavior, negatively affect children's functioning.[6] Increases in employment are often associated with children's increased participation in child care, but the effects of care differ depending on their quality. High-quality care during preschool has been found to be associated with better social and cognitive outcomes than low-quality or no care.[7] But the quality of care available to low-income families is often of low quality.[8] For older children, participation in formal after-school programs has been linked with positive outcomes for preadolescent and adolescent children, keeping them from engaging in delinquency with their peers.[9]

Except in the case of very young children, and perhaps of boys, nonexperimental research has found that maternal employment typically has neutral or positive associations with children's outcomes. Positive relations have been found in a few studies of children in low-income and single-mother families.[10] However, these positive associations between maternal employment and child outcomes may be reversed when women have reservations about working,[11] work very long hours early in a child's life,[12] or work low-wage, service jobs.[13] The enhanced training services provided under FTP may benefit children by moving mothers into higher levels of employment. However, the time limit for public assistance may pressure some mothers to move into employment before they feel prepared to do so.

B. How Might FTP's Effects on Public Assistance Affect Children and Families?

By reducing families' reliance on public assistance, FTP may affect children and families. Because of the stigma associated with receiving welfare, welfare income may be more detrimental to family and child well-being than other forms of income, particularly income from earnings. Some studies have suggested that there is a negative relation between welfare receipt and children's outcomes, controlling for income level.[14] However, other research has failed to find differences between children in families receiving welfare and children in poor (nonwelfare) families.[15] It is unclear to what extent it is welfare income, per se, that negatively affects children, or whether it is the family factors that lead families to receive welfare in the first place.

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[6]A very small proportion of the respondents to the FTP survey were male. Because the vast majority of single parents analyzed here are women, the respondents are referred to as mothers throughout the report, and research on the effects of maternal employment on children is reviewed here.

[7]McKey et al., 1985; Lamb, 1998; Scarr, 1998

[8]Phillips et al., 1994.

[9]Posner and Vandell, 1994, 1999.

[10]Harvey, 1999; Moore and Driscoll, 1997; Vandell and Ramanan, 1992; Zaslow and Emig, 1997.

[11]Farel, 1980; Alvarez, 1985.

[12]Harvey, 1999.

[13]Parcel and Menaghan, 1994, 1997.

[14]Haveman and Wolfe, 1995; Ratcliffe, 1996.

[15]Zill et al., 1995.

C. How Might FTP's Effects on Income Affect Children and Families?

Research has found that low-income children typically perform more poorly on cognitive and behavioral measures than their middle-class and more affluent peers.[16] The negative effects of poverty appear to be particularly strong for young children and for children who are persistently poor. Also, poverty may be particularly detrimental for children's academic and cognitive functioning — more so than social behavior, emotional adjustment, and health outcomes. Research has suggested that poverty may impinge on children's development by limiting the resources that parents can provide for their children (like food, clothes, and books) and by increasing parental stress and, in turn, negative parenting practices.[17] However, some researchers have suggested that the income effects are relatively small.[18] Moreover, whether the modest income gains in FTP are enough to result in positive impacts of the program on children is unclear.

D. How Might FTP's Parental Responsibility Mandates Affect Children?

FTP had two additional components intended to more directly affect children. For parents of preschool children, proof of immunizations was required. However, at the two-year follow-up, there was no evidence of increased immunizations for preschool children due to FTP, in part because so many families in both the AFDC and the FTP groups were immunizing their children.[19] In addition, parents were required to ensure that children were attending school and to speak with their children's teacher at least once each grading period. Research has suggested that parents' involvement with teachers in school is associated with children's grades in school, at least for younger children.[20] It is generally believed that when parents are involved in schools, children benefit because the parent has modeled the importance of school; that parents can provide support at home for children's learning at school; and that both parents and teachers are part of children's learning.[21] Findings at the two-year follow-up suggested that parents in the FTP group were speaking to their children's teachers more often than parents in the AFDC group.[22]

III. Sample and Measures

The sample for most of the outcomes for children and families comes from an in-depth interview of 1,108 families, in which a single focal child was selected. To be eligible for the child study, families had to have one child between the ages of 1 and 8 at random assignment (who would be 5 to 12 at the four-year interview).[23] For families with only one child in this age range, that child was the focus of many

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[16]Duncan, Brooks-Gunn, and Klebanov, 1994; Duncan and Brooks-Gunn, 1997.

[17]Bradley and Caldwell, 1984; Smith, Brooks-Gunn, and Klebanov, 1997; Sugland et al., 1995; McLoyd, Jayartne, Ceballo, and Borquez, 1994.

[18]Mayer, 1997.

[19]See Bloom, Farrell, Kemple, and Verma, 1998.

[20]Epstein, 1990; Grolnick and Slowiaczek, 1994; Iverson, Brownlee, and Walberg, 1981.

[21]Epstein, 1990; Grolnick and Slowiaczek, 1994.

[22]See Bloom, Farrell, Kemple, and Verma, 1998.

[23]A small number of children (n= 26) were over 12 at the time of the four-year follow-up, because the interview took place beyond 48 months after random assignment. Analyses were conducted excluding these children from the focal child sample. The results did not change appreciably, and therefore all analyses are conducted on the full 1,108 children who were age 1-8 at random assignment.

of the survey questions discussed in Chapters 5 and 6, and thus is referred to as the "focal child." For families with more than one child in this age range, one of these children was randomly selected to be the focal child. For all focal children, a detailed child care history was collected, as well as information about children's involvement with and support from their noncustodial biological father. In addition, numerous questions in the survey focused on the quality of the home environment, parents' parenting behavior, and children's behavior and functioning. For a very few measures, interviewer observations are included as well, to enhance the findings based on maternal reports. These measures of child and family functioning are addressed in Chapter 6.

In addition, all families surveyed in the FTP evaluation were asked about the child care experiences, school achievement, and police involvement of all the children in their family at the time of the four-year survey. This allows for the examination of the child care experiences and child functioning of younger children and adolescents, as well as for a larger sample of 5- to 12-year-olds (not just the single focal child in each family). Figure 5.2 presents the derivation of the samples presented in this chapter and in Chapter 6.

IV. Economic Impacts for the Child Sample

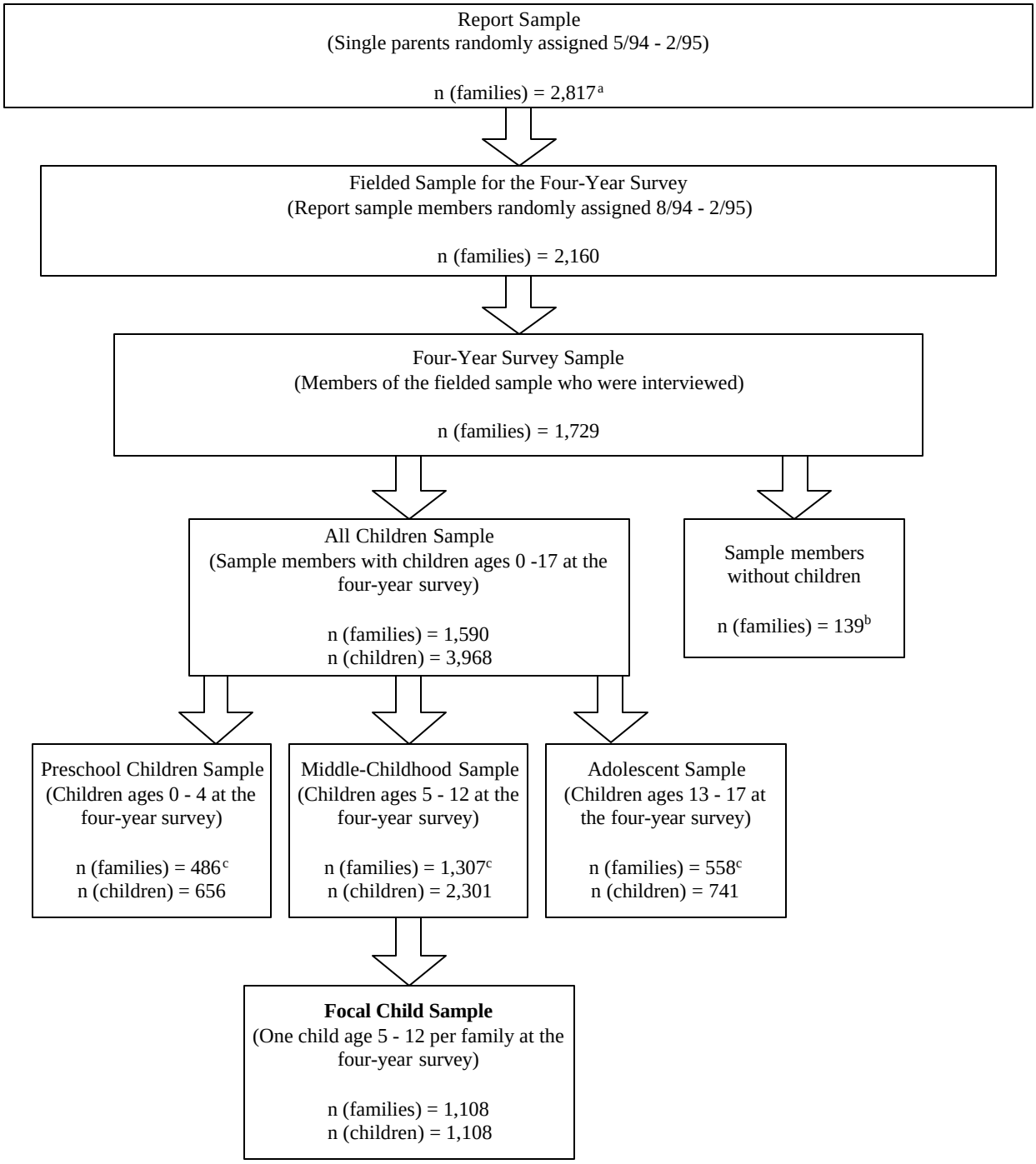
As indicated in Chapter 3, FTP increased employment and earnings and reduced welfare receipt. The earnings increases more than offset declines in public assistance, resulting in modest increases in income over the four-year follow-up period. The pattern of impacts in the survey sample (for all children) and for the sample of families with a focal child between the ages of 5 and 12 were largely similar to those presented here. However, the impacts on employment and earnings for the full client survey sample are much larger than for the sample of families presented in Chapter 3 (on which administrative data were available), and the sample of families who responded to the focal child survey had even larger impacts on these measures, resulting in a significant impact on employment in year 4. This is partly due to the sample of families chosen for the focal child study (those with a child between the ages of 1 and 8 at baseline) and partly due to differences between respondents and nonrespondents. (See Appendix A for further information regarding the impacts in these samples.)

As indicated in Chapter 3, three subgroups of families were identified by their risk of welfare dependency at random assignment. The differences in impacts among the samples presented in Chapter 3 and those presented here are particularly pronounced for the most at-risk families, for whom impacts on employment (and earnings) early in the follow-up period are larger than those presented in Chapter 3. However, the pattern of differences among the risk subgroups is similar in the survey sample and in the full report sample, in that FTP increased employment at the end of the follow-up period only for the least at-risk subgroup (see Appendix B).

Figure 5.2

Florida's Family Transition Program

Samples and Subsamples Used in Chapters 5 and 6



NOTES: [a]Two sample members were dropped in the impact analysis due to incomplete administrative data.

[b]Three sample members had a child under 18 years of age, but no information on children's outcomes were provided by the parent.

[c]Because children of more than one age group may come from the same family, the total number of families (1,590) across the three age groups is smaller than the sum of the families in each of the age groups of children.

V. Child Care

How might FTP affect young children's experience in child care? Because FTP's effects on employment had largely declined by the end of the follow-up period, impacts on child care might be expected to be small at the end of the follow-up period as the difference between FTP and AFDC families in their need for care declined. The modest increase in income due to FTP may help parents seek higher-quality care for their children, which may have important implications for the effects of FTP on children's development. For older children, parents may seek to put their children into structured after-school activities like lessons, sports, and clubs, which may provide enrichment opportunities for children in addition to fulfilling parents' child care needs. Children's increased involvement in care may also serve to enhance employment stability among parents.

A. Child Care for Preschool, Middle-Childhood, and Adolescent Children

Use of child care. As indicated earlier, children's care arrangements at the time of the four-year interview were assessed for preschool children (ages 0-4 years; those born after random assignment), middle-childhood children (ages 5-12 years), and adolescents (ages 13-17 years). All statistical tests are adjusted to account for the fact that more than one child was analyzed in each family. The results of this analysis are presented in Table 5.1. The child care measures discussed are described in detail in Box 5.1.

Box 5.1

Measures of Child Care Use

Type of child care. Child care arrangements are categorized into formal care, relative care, and nonrelative care arrangements. These categories are not mutually exclusive; that is, children in relative care may have also been in formal care arrangements. Formal care includes center or group care, summer daycare, and extended day programs. Relative care includes care by the child's sibling, father, grandparent; the mother's spouse or partner; or any other relative. Nonrelative care includes a family daycare or baby-sitter not related to the child who takes care of the child in the child's home or another home. Parents reported on all of their children's care arrangements at the time of the four-year interview (used at least once per week for the last four weeks). For focal children, parents also reported on care in the last year of the follow-up period (months 38-49).*

Out-of-school activities. Children's participation at the time of the four-year interview in after-school activities is constructed from three separate questions about children's participation at the time of the four-year interview in (1) lessons, such as music, dance, language, or computer; (2) clubs or organizations, such as scouts, religious groups, or girls' or boys' clubs; and (3) sports teams. This measure may capture children's participation in structured activities that may not serve as "child care."

*At the 48-month follow-up interview, the parent was asked about child care information for the two years prior to the interview. However, because some families were interviewed later than 48 months after random assignment, comparable child care participation data were available for all families only from months 38 to 49 after random assignment.

Table 5.1

Florida's Family Transition Program

Summary of Impacts on Child Care at the Four-Year Follow-Up for All Children, by Child Age

Outcome	Ages 0-4 FTP Group	Ages 0-4 AFDC Group	Ages 0-4 Difference[a]	Ages 5-12 FTP Group	Ages 5-12 AFDC Group	Ages 5-12 Difference[a]	Ages 13-17 FTP Group	Ages 13-17 AFDC Group	Ages 13-17 Difference[a]
Type of child care arrangment in last mont h									
Currently any child care (%)[b]	48.1	41.2	6.9 *	39.6	35.2	4.4 **	12.5	10.8	1.6
Currently any relative care (%)	26.3	23.6	2.7	26.2	23.1	3.1 *	9.8	10.0	-0.2
Currently any nonrelative care (%)	9.0	6.5	2.5	5.3	5.2	0.0	1.4	0.5	0.8
Currently any formal care (%)	14.1	13.3	0.8	11.3	9.6	1.7	0.6	0.0	0.6
Extent of child care in a typical week									
Number of hours in child care	15.3	12.7	2.6 *	7.9	7.5	0.4	1.1	1.3	-0.3
0 hours in child care (%)	53.1	59.0	-5.9	61.4	65.4	-4.0 **	92.5	92.6	0.0
Less than 20 hours in child care (%)	7.7	9.3	-1.6	20.9	16.5	4.4 ***	5.0	4.2	0.8
20 or more hours in child care (%)	39.2	31.7	7.5 **	17.8	18.2	-0.4	2.5	3.3	-0.8
Out-of-school activities									
In any after-school activity (%)	4.7	2.2	2.5	37.3	34.9	2.4	43.2	40.9	2.3
Sample size (total = 3,698)	331	325	656	1,125	1,176	2,301	367	374	741

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 0-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.
A two-tailed t-test was applied to regression-adjusted impact estimates.

Sample size may slightly vary for each outcome variable due to missing data.
[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.
Rounding may cause slight discrepancies in sums and differences.
[b]Child care types are not mutually exclusive.

The AFDC group levels in Table 5.1 suggest that similar proportions of preschool and middle-childhood children used some form of care at the time of the four-year follow-up (40 percent and 35 percent, respectively). Not surprisingly, a much smaller proportion of teenage children were in care (11 percent) at the time of the four-year client survey. In addition, preschool and middle-childhood children were both more likely to be in relative care arrangements (by siblings, other parents, grandparents, and other relatives) than in formal or nonrelative care arrangements (note that the children can be in multiple care arrangements). For adolescents, care consisted almost exclusively of relative care arrangements. In addition, about one-third of both middle-childhood and adolescent children participated in extracurricular activities, including lessons, sports, and clubs.

FTP increased parent's use of care for both preschool and middle-childhood children, by almost 7 percentage points for preschool children and by 4 percentage points for their middle-childhood peers. For preschool children, FTP did not increase the use of any particular type of care (relative, nonrelative, or formal care). However, for middle-childhood children, FTP increased the use of relative care only, rather than nonrelative or formal care arrangements. There was no increase in care for older children due to FTP.

The second panel of Table 5.1 presents data on the number of hours children were in some form of child care arrangement over the last month prior to the 48-month interview. For preschool children, FTP increased care over 20 hours per week, while for middle-childhood children, FTP increased care under 20 hours per week. Given that school likely accounted for much of the middle-childhood children's need for care, it is not surprising that there is little increase in more than 20 hours in care for children of this age.

As indicated at the bottom of the table, FTP did not increase participation in after-school activities either for middle-childhood children or for adolescents.

Child care and parental employment. To what extent are impacts on child care associated with impacts on employment? As indicated, impacts on child care were found at the time of the 48-month follow-up interview for preschool and middle-childhood children. Further analysis suggested that FTP's increase in child care for the middle-childhood children was primarily due to an increase in care among children whose parents were working. For children ages 5-12 whose parents were working in the month prior to the interview, 49 percent in the FTP group were in any child care arrangement, compared with almost 44 percent in the AFDC group (and there was no difference in child care use for children of parents who were not working — with 14 percent of parents in both groups using child care). Therefore, the impact on child care for middle-childhood children at the time of the four-year interview is driven entirely by families who were working. For younger children (ages 0-4 at the time of the four-year survey), positive impacts on child care use are found for both working and nonworking families, suggesting that FTP increased the use of child care even though FTP parents were no more likely to be working than AFDC parents at the end of the follow-up.

B. Child Care for Focal Children

As indicated earlier, a more detailed child care history was collected for focal children ages 5-12 at the four-year follow-up interview. These data are presented in Table 5.2. As indi-

Table 5.2

Florida's Family Transition Program

FTP's Impact on Past Child Care Use at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Type of child care arrangement, months 38 - 49				
Ever any child care (%)	65.1	59.6	5.5 *	9.2
Ever any relative care (%)	44.4	38.0	6.4 **	17.0
Ever any nonrelative care (%)	9.5	9.5	0.1	0.5
Ever any formal care (%)	26.7	22.1	4.6 *	20.7
Extent of child care use, months 38 - 49				
Total months in relative care	4.2	3.5	0.7 **	18.6
Total months in nonrelative care	0.8	0.9	-0.1	-10.4
Total months in formal care	2.2	1.9	0.3	16.0
Stability of care, months 38 - 49				
Any care continuous for 6 months (%)	54.0	48.1	5.8 **	12.1
Self-care				
Any self-care in last two years	8.0	7.1	0.9	13.4
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

cated in the table, 60 percent of children in the AFDC group engaged in some form of child care over the last year of the follow-up period (months 38-49), with more children in care by a relative (38 percent) than in formal care arrangements (22 percent; including preschool, Head Start, extended day, and summer daycare programs) or in care by a nonrelative (9 percent).

While FTP increased care in relative care arrangements at the time of the four-year follow-up for middle-childhood children, when considering the fourth year of the follow-up, increases in both formal care arrangements and relative care arrangements were found. FTP increased formal care arrangements by almost 5 percentage points and relative care arrangements by 6 percentage points. Increases in formal care are due primarily to increases in formal preschool programs rather than increases in extended day programs or summer day camp. Over the last year of follow-up, children in FTP spent more months in relative care arrangements than did children in the AFDC group. FTP did not increase children's participation in nonrelative care.

In addition to the type of care, it is also critical to examine the stability of care arrangements in considering how children may be affected by their experience in care. (See Box 5.2 for information about the measure of child care stability.) Forty-eight percent of children in the AFDC group were in care for six consecutive months or more. FTP increased children's participation in continuous child care arrangements by 6 percentage points.

Box 5.2

Measures of Child Care Stability and Quality

Child care stability. Parents of focal children completed a calendar about their use of child care over months 38 to 49 after random assignment.* From this calendar a month-by-month history of child care use was constructed. From this child care history, an outcome was constructed reflecting the total number of consecutive months the child was in any child care arrangement (formal, relative, or nonrelative care). Families were divided into two groups: those in which the child was in care for six or more consecutive months and those in which the child was in care for less than six consecutive months (including those children not in any care arrangement).

Child care quality. The measure of child care quality was constructed from a three-item scale developed by Emlen (1996). Mothers reported (on a 4-point scale) the extent to which they felt their child gets individual attention, the extent to which the provider was open to new information, and the extent to which the provider plans activities. This information was collected for both formal and informal child care arrangements, but only in reference to the focal child's "primary" child care arrangement (the one the child spent the most time in) at the time of the four-year interview. Scores across the three items were summed. Scores at or above 9 were considered "high quality." Thus, the outcomes are equal to zero for those who scored lower than these values and for those who did not report using child care in the week prior to the interview.

*The child care calendar information was collected on a computer that could be viewed by the parent. To help recall child care use, interviewers marked on each month whether the mother was working, in job training, or in school and whether the child was in school or summer break.

At the bottom of the table, impacts are presented for focal children's self-care in the two years prior to the four-year follow-up. Seven percent of children in the AFDC group had taken care of themselves during this period. FTP had no impact on the proportion of children who had engaged in self-care.

Primary care arrangements. Table 5.3 presents data on focal children's primary child care arrangement at the time of the four-year survey. By far, the largest proportion (almost 15 percent) of parents in the AFDC group relied on grandparent care. FTP's increase in relative care arrangements as a primary form of care for middle-childhood children is attributable to the higher level of sibling care among the FTP group when compared with the AFDC group. For all other forms of care, there are no significant differences between the FTP and AFDC groups.

Mothers were also asked about the quality of the primary daycare arrangement of their children (see Box 5.2.) FTP had no impact on whether mothers reported that their children were in high-quality care. Almost 30 percent of children in the AFDC group were reported to be in high-quality care arrangements. This level is comparable to that reported for long-term welfare recipients in the study of the Minnesota Family Investment Program.[24]

C. Child Care Subsidy Assistance for Children

As indicated in Chapter 2, while the general system of subsidized child care was the same for both the AFDC and the FTP groups, subsidized child care was enhanced in FTP in three ways. First, FTP group members received enhanced case management of child care subsidies, with child care resource and referral counselors placed in the FTP offices. Second, there was greater funding for child care subsidies, such that FTP had greater access to resources to which they were eligible than their AFDC group counterparts (there were periods of funding shortages for the AFDC group early in the follow-up period). Third, FTP group members had access to two years, instead of one, of transitional child care subsidies following their exits from AFDC. However, as noted in Chapter 2, both groups had access to low-income child care subsidies after exhausting their transitional child care assistance period, making this third provision less important in differentiating the subsidy assistance available to FTP and AFDC group families.

Child care subsidies were provided for child care with both formal and informal providers, including unlicensed relative care.[25] Payments were made either directly to the care provider or to the parent. Child care subsidies were typically provided during parents' participation in employment or employment-related activities, and they were available to parents receiving welfare as well as to parents who were income eligible but not receiving welfare.

The top panel of Table 5.4 presents information on the amount of money families were paying for child care in the month prior to the four-year survey. On average, families in the FTP group (including those who used no child care) paid the same amount as families in the AFDC group: about $36 for all their children, or $20 per child. For families who actually had at least one child in child care, the FTP group paid, on average, $69 for all their children — slightly less

[24]Gennetian and Miller, 2000.

[25]Only biological fathers and siblings under the age of 18 were excluded from the list of providers designated for child care subsidies.

Table 5.3

Florida's Family Transition Program

FTP's Impact on Primary Child Care Arrangements at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Type of primary child care arrangement				
Any relative care	27.8	22.4	5.4 **	24.3
Care by parent's partner	1.1	0.4	0.7	189.3
Care by noncustodial biological parent	1.0	0.3	0.6	188.7
Care by grandparent	15.8	14.8	1.0	6.8
Sibling care	4.7	1.9	2.8 ***	145.7
Care by other relative	5.3	5.0	0.3	6.3
Any nonrelative care	5.2	5.7	-0.4	-7.6
Care by nonrelative in child's home	2.4	3.2	-0.7	-22.9
Care by nonrelative in other home	2.8	2.5	0.3	11.9
Any formal care	10.1	9.9	0.2	2.0
Center care	5.2	5.1	0.1	1.6
Extended day programs	4.3	4.2	0.1	1.6
Summer care, camp, or school	0.6	0.5	0.0	9.1
Quality of primary child care arrangement				
Perception of high-quality care (%)	33.5	29.0	4.4	15.3
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table 5.4

Florida's Family Transition Program

FTP's Impacts on Child Care Payments for Families and Child Care Subsidy Assistance for Children Ages 5-17, by Child Age

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Amount paid for care per child last month ($)	20	21	-1	-3
Ever quit job/school/training because of problems with child care (%)	19.7	23.6	-3.9 *	-16.3
Informed about transitional child care subsidies (%)	67.1	53.7	13.5 ***	25.1
Sample size (total = 1,590)	*798*	*792*		
Child care subsidies				
Children ages 5-12 at the four-year survey				
Percent for whom subsidy was provided				
Year 1	56.2	22.5	33.7 ***	149.5
Year 2	46.8	20.8	26.1 ***	125.5
Year 3	27.9	15.2	12.8 ***	84.2
Year 4	7.8	6.9	0.9	12.7
Sample size (total = 1,928)	*953*	*975*		
Percent of focal children in formal care for whom subsidy was provided[a]	24.3	24.7	-0.3	-1.4
Sample size (total = 249)	*134*	*115*		
Percent of focal children in informal care for whom subsidy was provided[a]	6.2	4.4	1.9	42.6
Sample size (total = 471)	*244*	*227*		
Children ages 13-17 at the four-year survey				
Percent for whom subsidy was provided[b]				
Year 1	21.1	5.5	15.6 ***	282.2
Year 2	12.2	4.9	7.3 ***	148.3
Year 3	4.3	1.5	2.8 *	189.3
Sample size (total = 596)	*285*	*311*		

SOURCE: MDRC calculations from the child care subsidy data.

NOTES: The sample includes children ages 5-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]Participation in formal and informal care includes participation in months 38-49 of the follow-up period, roughly corresponding to the fourth year of follow-up.

[b]There is no year 4 subsidy included because no children were eligible for child care subsidies at that time.

than their counterparts in the AFDC group — although the difference is not statistically significant. Almost one-fourth of AFDC families reported quitting a job because of problems arranging child care, and FTP slightly reduced the proportion of families reporting such problems (by almost 4 percentage points). Only about half of AFDC families indicated that they were informed about child care subsidy assistance available during employment after leaving welfare. FTP significantly increased the proportion of families who knew about such assistance, by 13 percentage points. Notably, however, a sizable proportion of FTP families (almost one-third) still did not know about the availability of child care subsidy assistance once they leave the welfare system.

The bottom panel of Table 5.4 presents information on the child care subsidies provided to families for their children. The child care subsidy information comes from administrative records of individual-level child care payment data for Escambia County over the four years of follow-up. These data provide information on child care subsidy payments made to parents for each child in the family. Children between the ages of 1 and 13 at random assignment (who were between the ages of 5 and 17 at the four-year follow-up) were analyzed in this section. While the money was provided to parents or child care providers, the money was linked with a particular child in the family, allowing for the examination of the receipt of child care subsidies for different age groups of children.

For children ages 5-12 years at the four-year survey, child care subsidies were paid for approximately one-fifth of children in the AFDC group in the first and second years after random assignment. By the third year, that number had dropped to 15 percent of AFDC group children, and child care subsidies were paid for only 7 percent of children in the fourth year of follow-up. This decline is partly due to the declining need for care as children age over the follow-up period (recall that these children were 1-8 years at the beginning of the study but were all school-age by the end of the follow-up period). In addition, this decline may be attributable to families choosing not to take up assistance as they move further from the welfare system, and it parallels the declines in cash and Food Stamp assistance over the follow-up period.

FTP increased the proportion of children for whom a child care subsidy was provided in the first three years after random assignment, but not in the final year of follow-up. Impacts on child care subsidy assistance declined over the follow-up period, with FTP group levels 34 percentage points higher than AFDC group levels in the first year, but dropping to only 13 percentage points higher in the third year. While child care subsidies could be used for both formal and informal care providers, additional analyses conducted on focal children ages 5-12 suggest that AFDC children in formal care in the fourth year of follow-up were much more likely to have child care subsidies provided for them than children in informal care arrangements during this period. In the fourth year of follow-up, while subsidies were provided to 24 percent of children in formal care arrangements, subsidies were provided to only 4 percent of children in informal care arrangements. However, FTP did not increase child care subsidies for children in either formal or informal arrangements at the end of the follow-up period.

For older children, ages 13-17 at the four-year survey, the proportion of children in the AFDC group receiving any child care assistance is much lower than for their younger peers, with child care subsidies provided for only 5 percent of AFDC group children in the first year of follow-up. In part this may be because older children need less care than their younger peers and because older children be-

come ineligible for subsidies. The pattern of impacts is similar for these children as for the younger children, with a larger significant impact in the first year of follow-up (a 15 percentage point difference in the proportion of children receiving care) and a smaller significant impact by the third year of follow-up.[26]

The administrative data on child care subsidies provides information on four different types of assistance streams. The first three are primarily differentiated by the family's status as a welfare recipient. These are:

- **FTP/PI-related child care**, which refers to child care subsidy receipt during participation in employment, FTP, PI, and WAGES activities, or any other work-related activities, while receiving cash assistance.
- **Transitional child care**, which was accessible for sample members who had closed their AFDC/TANF cases.[27] Transitional care subsidies were available for AFDC group members for 12 months after they left AFDC and for FTP group members for 24 months after they left AFDC/TANF.
- **Income-eligible child care** includes child care subsidy assistance received while a sample member was working, was not receiving cash assistance, but remained under 150 percent of the federal poverty level. Also, families who were not receiving cash assistance but were receiving Food Stamps were also eligible for this form of care, whether or not they were working.

The same provider types (formal and informal care) were eligible for subsidies in all these forms of child care assistance. In addition, the same documentation was needed for receipt of the subsidy for all three forms of assistance. This was intended to make the movement from one form of subsidy assistance to another "seamless" for families.

Finally, information is provided on one additional form of care assistance, which is not dependent on the welfare status of the family:

- **Protective services child care** includes child care subsidies for families with confirmed cases of child abuse and neglect, and it was generally provided for the health and safety of the child. This subsidy was provided in cases in which the child was not in immediate danger and could remain in the home. This subsidy was provided to help relieve the stress in the family by providing the child with child care for part or all of the day and to provide regular monitoring of the child.

Table 5.5 presents information on the provision of each of these forms of child care subsidies over the four-year follow-up period. For simplification, children ages 1-13 at random assignment (5-17 years at the four-year follow-up) are combined for these analyses. What is striking in the table is the proportion of children for whom each of these types of care subsidies were provided in the AFDC

[26]All these children were ineligible for child care subsidies by the fourth year of follow-up.
[27]Note that not all parents who leave welfare for work are eligible for transitional child care.

Table 5.5

Florida's Family Transition Program

FTP's Impacts on Child Care Subsidy Assistance over the Four-Year Follow-Up for Children Ages 5-17

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
FTP/PI-related subsidy				
Provided with subsidy, years 1-4 (%)	51.9	20.5	31.4 ***	152.8
Average amount received year 1 ($)	284	61	223 ***	366
Average amount received year 2 ($)	233	40	193 ***	484
Average amount received year 3 ($)	38	15	24 ***	164
Average amount received year 4 ($)	3	5	-2	-43
Transitional child care subsidy				
Provided with subsidy, years 1-4 (%)	22.0	13.5	8.6 ***	63.7
Average amount received year 1 ($)	53	52	1	2
Average amount received year 2 ($)	95	48	46 ***	96
Average amount received year 3 ($)	47	23	23 ***	98
Average amount received year 4 ($)	30	8	22 ***	269
Income-eligible child care subsidy				
Provided with subsidy, years 1-4 (%)	3.4	6.5	-3.1 ***	-47.8
Average amount received year 1 ($)	4	9	-5 *	-58
Average amount received year 2 ($)	1	22	-21 ***	-94
Average amount received year 3 ($)	5	13	-8 ***	-62
Average amount received year 4 ($)	8	34	-26 ***	-77
Protective services child care subsidy				
Provided with subsidy, years 1-4 (%)	2.9	2.2	0.7	32.9
Sample size (total = 2,524)	1,286	1,238		

SOURCE: MDRC calculations from the child care subsidy data.

NOTES: The sample includes children ages 5-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

group. While FTP/PI-related subsidies were provided for one-fifth of children, transitional child care subsidies were provided for only 13 percent of children, and income-eligible subsidies were provided for half that number (6 percent). Part of this decline from one form of care to the next is due to the fact that children age over the follow-up period (and thus have less need for care), and these forms of child care assistance are typically received sequentially as parents move from welfare into employment. However, it is also possible that as families move further away from the welfare system, they are less and less likely to take up care subsidies to which they are entitled.

In addition, as indicated in the table, FTP had its largest impact (31 percentage points) on the proportion of children for whom FTP/PI-related child care was provided. These increases in child care subsidy assistance occurred primarily in the early years of the follow-up, when more families were receiving welfare. This may be due to the greater participation requirements for FTP families, especially for those with young children. Recall that AFDC parents with children under the age of 3 were exempted from participation requirements, while FTP parents with children over 6 months of age were required to participate in employment-related activities. Because the need for child care is so great among these young children, child care subsidies were provided for a much larger proportion of FTP children than of AFDC children. As noted in Chapter 2, FTP generated a large increase in participation in employment activities.

FTP also produced smaller, but significant, increases in the provision of transitional child care subsidies, of 8 percentage points. However, FTP also produced small (3 percentage point) reductions in the provision of income-eligible child care subsidies, so in some cases transitional child care subsidies may have been simply traded for the receipt of income-eligible care subsidies. Given that both FTP and AFDC families could receive income-eligible subsidies once their transitional child care subsidies expired, the provision of extended transitional child care would be expected to produce some of this substitution of one form of subsidy for another. There was no significant impact on the very small proportion of children for whom protective services child care subsidies were provided.

VI. Father Involvement for Focal Children

One aspect of the FTP program was to enhance child support enforcement. A separate caseworker was assigned to work with FTP families on child support awards, although enhanced child support services were not consistently provided. However, despite limited implementation of this part of the program, as indicated in Chapter 4, families in FTP received more money from child support payments than AFDC families. Such income may help to offset any reductions in welfare payments due to the time limit. Families in FTP may have received more child support because of the designated caseworker (even though it was not consistently implemented) or because of the need to rely on other sources of support due to the time limit on cash assistance benefits.

This increase in child support payments may translate into increased involvement of noncustodial biological fathers in the care of their children. Research has found associations between child support

payments and father involvement.[28] However, it is unclear whether it is the child support payments that result in greater father involvement or whether highly involved fathers are more likely to pay child support. In theory, fathers paying child support may feel their financial support gives them the right to be more involved in the emotional care of their children. Also, fathers who are successful in providing economic support to their children may seek greater emotional involvement as well. From the mothers' perspective, as single mothers engage in increasing levels of employment, they may seek help from the biological fathers for the care of their children. Child support may be more beneficial than other sources of income because it is earmarked for children, and research has found it to be associated with positive cognitive outcomes.[29] However, the effects of father involvement may depend on the quality of the interaction between mothers and noncustodial fathers. Increasing interactions between conflicted couples can increase children's exposure to negative interactions between parents and can have negative effects on their development.[30]

Table 5.6 presents data on the involvement of the noncustodial biological father for the focal children, ages 5-12 years.[31] In general, levels of father involvement are relatively low. About one-third of the children in the AFDC group had noncustodial biological fathers who purchased something for them in the last year, while one-fourth of children had such fathers care for them by baby-sitting for them or caring for them overnight. Half the children were contacted by their noncustodial biological father by phone or letter at least once in the past year. However, when mothers were asked about how often the child saw the noncustodial biological father, very few, only 12 percent, indicated that the child saw the father weekly, while 40 percent indicated that the child never saw the father in the last year.

Forty percent of children in the AFDC group had a formal child support order, but only 22 percent of families reported receiving child support payments. An even smaller number of families reported receiving money informally from the father in the last year.

FTP increased children's care and support from their noncustodial biological fathers. FTP increased the proportion of children who were cared for by their noncustodial biological father in the last year, by 5 percentage points. Children were more likely to receive money from their father through formal means (a child support or other agency) and to regularly receive money through informal means (from the father directly).

VII. Effects on Child Care and Father Involvement for Welfare Dependency Subgroups

As indicated in Chapter 3, the families in this study are very heterogeneous. Some families were indentified as least at risk of long-term welfare dependency, some at medium risk, and some at greatest risk. FTP had very different impacts on parental economic outcomes for these

[28]Seltzer, Schaeffer, and Charng, 1989.

[29]Argys, Peters, Brooks-Gunn, and Smith, 1998.

[30]Hetherington and Parke, 1993; Gottman and Katz, 1989.

[31]For children whose biological father was deceased or whose biological father lived in the household, all questions regarding the involvement of the noncustodial biological father were scored as zero. In this way, all items indicate the proportion of noncustodial biological fathers who engaged in the behavior indicated.

Table 5.6

Florida's Family Transition Program

FTP's Impact on Father Contact at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Noncustodial biological father contact				
Bought something for child in last year (%)	37.4	35.6	1.8	5.0
Cared for child in last year (%)	30.8	25.6	5.1 *	20.0
Contacted child by phone/letter in last year (%)	49.1	47.0	2.1	4.5
Sees child weekly (%)	15.1	11.9	3.2	26.8
Sees child monthly (%)	10.2	10.7	-0.5	-4.9
Sees child 1-11 times per year (%)	24.8	24.0	0.7	3.1
Does not see child (%)	40.0	41.8	-1.7	-4.1
Noncustodial biological father financial support				
Has formal child support order (%)	45.8	41.2	4.6	11.1
Received money from father through child support agency in the last year (%)	27.8	22.7	5.1 **	22.6
Received money directly from father in the last year (%)	16.0	12.9	3.2	24.5
Regularly received money directly from father in the last year (%)	11.8	8.5	3.2 *	38.1
No noncustodial biological father				
Father in the home (%)	7.2	9.6	-2.4	-25.4
Father deceased (%)	2.7	2.0	0.8	39.6
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

three groups of families and, therefore, may have different effects on child care use and assistance as well as father involvement.

While all three groups experienced some employment gains throughout the follow-up period due to FTP, employment increases during year 4 of the follow-up period were found primarily in the least at-risk subgroup; in addition, employed FTP group members in this subgroup earned more, on average, than employed AFDC group members. Given these increases in employment relative to the other two groups, it is likely that this group will experience the largest increases in child care use as well. Despite the fact that the overall impacts on child care may not be linked with employment, impacts on child care may differ by subgroup because of the differences in employment impacts for these groups. In addition, impacts on receipt of child care subsidies may be expected to differ by risk subgroup. Given that the families most at risk of welfare dependency have the closest ties to the welfare system, it is likely that these families will experience the largest increases in child care subsidy assistance.

How impacts on father involvement might differ by family risk status are less clear. If mothers are relying on the children's father for child care help, then increases in father involvement may be strongest for families in the least at-risk subgroup. However, if mothers facing the time limit are seeking financial support from the children's noncustodial biological fathers, then the impacts may be strongest among the most at-risk families. Additionally, differences in impacts on father involvement may emerge because of differences in baseline characteristics between these three groups of families. The least at-risk subgroup largely comprised mothers who were married and living apart from their spouses and mothers who were divorced, and the most at-risk subgroup largely comprised mothers who were never married at baseline. Differences between these two groups in impacts on father contact may be due to these differences in baseline characteristics as much as due to the differences in impacts on economic outcomes.

A. Child Care

Table 5.7 presents the impacts on child care at the four-year follow-up for all children ages 5-17 and, separately, for focal children (all of whom were ages 5-12) in these three subgroups of families.

The top panel of the table presents data on child care for all children age 5-17 at the time of the four-year survey. Differences among the risk subgroups were significant only for the use of relative care arrangements. However, the pattern of findings is somewhat surprising. For the least at-risk families, there were no impacts on parents' use of some form of child care for their children at the time of the four-year client survey. Despite the increases in employment during the last year of follow-up for this group, there were no corresponding increases in the proportion of children in child care. In the least at-risk subgroup, FTP families were significantly less likely to be using relative care arrangements and significantly more likely to be using formal care arrangements (center care, after-school care, and summer day camps). Such formal care may support work schedules more consistently than informal child care. Unfortunately, there are no data on child care use earlier in the follow-up period to determine if FTP increased the use of child care earlier for this subgroup. For the most at-risk families, on the other hand, FTP increased child care, particularly relative care, even though FTP did not increase employment at the end of the follow-up for families in this group.

Table 5.7

Florida's Family Transition Program

Summary of Impacts on Child Care at the Four-Year Follow-Up for 5- to 17-Year-Old Children, by Welfare Dependency Subgroups

Outcome	Least at Risk FTP Group	Least at Risk AFDC Group	Least at Risk Difference[a]	Medium Risk FTP Group	Medium Risk AFDC Group	Medium Risk Difference[a]	Most at Risk FTP Group	Most at Risk AFDC Group	Most at Risk Difference[a]	Variation in Subgroup Impacts
Child care use										
Type of child care arrangement, all children 5-17										
Any child care (%)	33.8	35.7	-1.9	32.5	28.8	3.7	33.5	26.5	7.0 ***	
Any relative care (%)	21.9	29.1	-7.3 *	20.6	18.9	1.8	24.8	16.1	8.7 ***	***
Any nonrelative care (%)	1.8	4.2	-2.4	4.6	4.3	0.3	4.7	4.3	0.5	
Any formal care (%)	11.3	7.4	3.9 *	9.4	7.5	1.9	6.2	7.0	-0.8	
Sample size (total= 3,042)	*276*	*293*	*569*	*693*	*690*	*1,383*	*523*	*567*	*1,090*	
Type of child care arrangement, months 38-49, focal children										
Ever any child care (%)	65.0	61.3	3.7	64.9	59.6	5.3	64.4	59.9	4.5	
Ever any relative care (%)	42.5	41.1	1.4	41.4	38.5	2.9	49.1	36.4	12.7 **	
Ever any nonrelative care (%)	13.4	9.9	3.5	8.7	7.8	0.9	8.0	12.2	-4.2	
Ever any formal care (%)	29.2	22.4	6.9	28.6	22.5	6.1	22.8	21.2	1.7	
Sample size (total= 1,108)	*103*	*104*	*207*	*259*	*277*	*536*	*181*	*184*	*365*	
Child care quality and stability, focal children										
Quality of primary care	39.5	34.5	5.0	32.1	28.2	4.0	29.8	29.2	0.6	
Any continuous care for 6 months	61.3	56.3	4.9	51.0	46.8	4.2	53.4	46.2	7.2	
Sample size (total= 1,108)	*103*	*104*	*207*	*259*	*277*	*536*	*181*	*184*	*365*	

(continued)

Table 5.7 (continued)

Outcome	Least at Risk			Medium Risk			Most at Risk			Variation in Subgroup Impacts
	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	
Child care subsidy assistance, all children ages 5-17										
Provided with FTP/PI-related subsidy, years 1-4 (%)	36.5	10.9	25.6 ***	52.0	18.4	33.6 ***	58.7	28.9	29.8 ***	
Provided with transitional child care subsidy, years 1-4 (%)	19.6	12.4	7.2 **	24.8	13.1	11.6 ***	19.1	15.2	3.9	*
Provided with income-eligible child care subsidy, years 1-4 (%)	6.5	6.9	-0.4	3.4	6.8	-3.4 ***	1.9	5.8	-4.0 ***	
Provided with protective services child care, years 1-4 (%)	3.6	0.8	2.7 **	2.4	2.1	0.3	3.0	2.8	0.2	
Sample size (total = 2,524)	*233*	*231*	*464*	*555*	*581*	*1,136*	*450*	*474*	*924*	

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

A two-tailed t-test was applied to regression-adjusted impact estimates.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. No significant differences across subgroups were found on the outcomes presented in this table.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

For the focal children, the pattern of impacts on child care during the last year of follow-up (months 38-49) is relatively similar across these three risk groups, with no significant differences in any of these child care impacts across the least, moderate, and most at-risk subgroups. While many of the impacts are not statistically significant (in part due to the small size of the samples analyzed), the magnitude of the impacts on the proportion of children in any child care is in the same range across the three risk subgroups. As with findings on all children, however, increases in relative care arrangements were found only for the most at-risk, rather than the least at-risk, subgroup. Notably, the three subgroups did not differ in their impacts on the stability or quality of care.

Surprisingly, despite the greater employment in the least at-risk subgroup, FTP did not increase the proportion of children in child care. FTP parents in this subgroup may have chosen different forms of care relative to AFDC parents, but their children were not more likely to have been in care. In the next chapter, we will examine how these patterns may play out in impacts on children's outcomes in these three subgroups of families.

In terms of child care subsidy assistance, there were few differences in impacts across the risk subgroups. FTP increased the provision of FTP/PI-related child care subsidies for both the least at-risk and the most at-risk subgroups. FTP increased the proportion of children for whom transitional child care subsidies were provided in the least at-risk subgroup, although the impact is positive (but nonsignificant) in the most at-risk group. In only the most at-risk group did FTP significantly reduce the receipt of income-eligible child care subsidies. These findings suggest that the increase in child care subsidies that was concentrated in FTP/PI-related child care subsidies was relatively similar across the risk subgroups.

One additional finding presented in Table 5.7 deserves note. While very few children in all three subgroups ever received protective services child care subsidies, FTP slightly increased the proportion of children for whom this form of care subsidy was provided in the least at-risk subgroup. While this care subsidy was provided for virtually no children in the AFDC group, this care subsidy was provided for 3.6 percent of children in the FTP group. Because this care subsidy is provided for the health and safety of the child, the findings suggest the possibility of increased difficulties for children in the least, rather than the most, at-risk families due to FTP. In the next chapter, measures of children's functioning will be examined to assess whether any evidence of negative effects of FTP on children's behavior and academic functioning substantiates this negative effect of FTP for the least at-risk subgroup.

B. Father Involvement

Table 5.8 presents the impacts on father involvement for the three groups of families defined by their risk of welfare dependency. Notably, the samples on which these analyses are based are relatively small, particularly in the least at-risk subgroup, making them less reliable than analyses conducted with larger samples of children.

Impacts on father involvement do not differ across the three risk subgroups. Only for a single variable — the proportion of children who had contact with their fathers by letter or phone — is there a statistically significant difference between the risk groups. On all other outcomes, there are no statistically significant differences, and therefore any differences between the groups

Table 5.8

Florida's Family Transition Program

Summary of Impacts on Father Involvement for Focal Children at the Four-Year Follow-Up, by Welfare Dependency Subgroups

Outcome	Least at Risk			Medium Risk			Most at Risk			Variation in Subgroup Impacts
	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	
Noncustodial biological father contact										
Bought something for child in last year (%)	38.7	39.9	-1.2	36.0	34.7	1.3	38.8	34.3	4.5	
Cared for child in last year (%)	34.9	33.1	1.8	28.4	22.6	5.8	32.7	25.2	7.5	
Contacted child by phone/letter in last year (%)	56.2	50.7	5.6	42.1	46.9	-4.8	55.1	45.1	10.1 **	*
Noncustodial biological father financial support										
Received money from father through child support agency in the last year (%)	35.2	28.3	6.9	23.6	22.1	1.5	29.7	20.4	9.3 **	
Received money directly from father in the last year (%)	16.8	17.2	-0.5	18.0	10.3	7.6 **	13.7	13.2	0.5	
Regularly received money directly from father in the last year (%)	17.6	12.6	5.1	10.0	8.7	1.2	10.7	6.3	4.4	
Sample size (total = 1,108)	103	104	207	259	277	536	181	184	365	

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

A two-tailed t-test was applied to regression-adjusted impact estimates.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

may be due to chance. The magnitude of the impacts on father contact and child support is very similar in both the least and the most at-risk subgroups. The similarity is especially interesting given the differences in the baseline characteristics of these two risk subgroups in the proportion of never-married versus previously married families (see Chapter 3). These differences do not appear to result in any differences in impacts on father involvement for the least and most at-risk subgroups.

These findings suggest that whatever the mechanism by which FTP increased father support and involvement, it did so equally for the three groups of families defined by their risk of welfare dependency at random assignment. Perhaps the limited provision of a child support caseworker was equally effective for all families or perhaps all three subgroups of families equally sought out fathers for support when faced with a time limit on cash assistance.

VIII. Summary and Conclusions

In sum, FTP had small, positive impacts on child care and father involvement. FTP increased care for both preschool and middle-childhood children, but it had no impact on care for adolescents. FTP also increased the amount of child care assistance payments that families received for their children, although these impacts declined by the fourth year of the follow-up period. In addition, FTP increased the proportion of children receiving either formal or informal support from their noncustodial biological fathers, and FTP increased the involvement of noncustodial biological fathers. Surprisingly, impacts on child care were most pronounced for the most at-risk families (rather than families for whom FTP increased employment at the end of the follow-up period). Impacts on child care assistance and father involvement generally did not differ by the families' risk of welfare dependency, however, with one exception. For families least at risk of welfare dependency, FTP slightly increased the receipt of protective services child care assistance, suggesting greater problems for FTP families in the least at-risk subgroup. In the next chapter, FTP's impacts on family and child functioning are examined. This will allow us to consider whether these modest increases in child care and father involvement — along with the impacts on AFDC payments, employment, and earnings — played a role in affecting family and child functioning.

Chapter 6

FTP's Effects on Children, Part 2: Family and Child Functioning

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 marked a milestone in efforts over several decades to strengthen work requirements for parents receiving welfare. Yet, the question of whether these requirements are beneficial or harmful to children is still being debated. Supporters argue that such changes as time limits on the use of cash aid, high participation in employment and related activities, greater state autonomy, and increased funding for child care will boost parents' employment, earnings, and income and thus benefit children. Others raise concerns that mothers entering the labor force because of welfare-to-work requirements may be those least prepared to combine work and parenting, and that the low-wage jobs for which they qualify will only add to the stress of balancing these roles, resulting in negative impacts for their children. For policymakers, it is important to know how the various reforms are influencing families and children.

As indicated in Chapter 5, Florida's Family Transition Program (FTP) increased use of child care and child care assistance and had small positive effects on the monetary and nonmonetary support from noncustodial biological fathers. In this chapter, findings are presented on measures of child and family well-being.[1] Background research on the way in which FTP may have affected children and families is reviewed in Chapter 5, along with information about the sample and measures and about impacts on adult economic outcomes for the families examined here.

I. Findings in Brief

- **For focal children ages 5-12, FTP had few impacts on children's home environments or children's functioning.** Parents in FTP were less likely to know about children's whereabouts and activities than parents in AFDC, but on other domestic abuse and home environment outcomes, the FTP and AFDC groups did not differ. In regard to children's outcomes, there were few significant differences between the FTP and AFDC groups, and those that were found do not suggest a consistent pattern of positive or negative impacts due to FTP.

- **For adolescents, FTP had a couple of negative impacts on school outcomes but did not affect other measures of school performance or measures of their behavior.** Adolescents in the FTP group were performing more poorly in school and were more likely to be suspended than their peers in the AFDC group. However, on other measures of school achievement, FTP and AFDC groups did not differ, and the two groups did not differ on measures of police involvement and fertility.

[1]The "effect sizes" of all impacts presented in this chapter are provided in Appendix E. The effect size is computed by dividing the impact by the standard deviation, or average variation, in the AFDC group, and can be used to understand the magnitude of the effect.

- **While FTP had the most positive effects on the economic outcomes of families in the least at-risk subgroup, it may have had the most negative effects on children in these same families.** FTP decreased children's achievement in school and increased children's school suspensions (both reported by parents), for families in the least at-risk subgroup. For smaller, and less reliable, samples, FTP reduced parental supervision and had negative effects on children's school and behavioral outcomes for 5- to-12-year-old focal children, and FTP may also have increased involvement with police for older children, in the least at-risk subgroup.

- **There were very few differences between the AFDC and FTP groups for the families most at risk of welfare dependency, who were most likely to hit the time limit.** There were generally no differences between the AFDC and FTP groups on measures of children's school and behavioral functioning and on measures of mothers' parenting. Moreover, for the subset of these families who may have experienced some income loss due to FTP, there was no evidence of negative effects of FTP on children's outcomes.

II. Home Environment, Family Functioning, and Parenting Practices

By increasing employment and income, FTP may have affected families in a number of ways. Increases in employment may benefit families by increasing the regularity of routines in the home. In addition, increases in income may result in more learning materials being provided to children in their home. Mothers may gain satisfaction from working, which may translate into better emotional well-being and more positive parenting practices. On the other hand, mothers may become more stressed as they engage in more hours of employment, which may or may not be mitigated by the increase in income that accompanies such employment. Children may be left unsupervised after school hours, and their schoolwork may be negatively affected as a result of this lack of supervision.

A. Home Environment for All Focal Children

Mothers of focal children ages 5-12 years were asked about several aspects of their home environment. These measures are described in detail in Box 6.1 and in Appendix D. FTP's impacts on these measures are presented in Table 6.1. Mothers of focal children were asked about the extent to which there were regular routines for the child (like eating breakfast, dinner, going to bed, and doing household chores); cognitively stimulating activities for the child (like reading, trips to the library, and lessons); and expectations for the child (such as in doing household chores). High scores on each of these scales reflect a better home environment (for example, more regular routines, more activities, greater expectations). In addition to parents' reports of the home environment, two subscales of the home environment are based on interviewer ratings. Interviewers assessed the quality of the home and neighborhood and the quality of the interactions between the parent and child. The total HOME scale reflects the sum across the three parental rating subscales and the two interviewer rating subscales. As indicated by the AFDC group levels, total scores on the HOME scale were quite high (72 on a scale that ranges from 30 to 90), and very high scores were recorded on many of the subscales.

Box 6.1

Measures of the Quality of the Home Environment

Parents were asked about a number of characteristics of their home and interactions with their children. Also, interviewers rated the quality of parent-child interactions and the quality of the physical environment. All home environment items were recoded to range from "1," an unfavorable score, to "3," the most favorable score (Polit, 1996). From these multiple items, a total score and five internally consistent subscores of the home environment were constructed. Further details about these outcomes and the internal consistency of the HOME scales can be found in Appendix D.

Total HOME score. As an overall measure of the quality of the child's home environment, a total HOME score was constructed out of 30 items. This score ranges from 30 to 90.

The HOME routines subscale. The HOME routines subscale measures the extent to which the focal child engages in similar activities at the same time during the day and includes items such as going to bed at a regular time each night or doing homework at the same time each evening. This score is the sum of seven items, and the range of this score is 7 to 21.

The HOME cognitive stimulation subscale. The HOME cognitive stimulation subscale measures the quality of the child's environment that is cognitively stimulating and includes items such as reading to the child, going to the library, and involvement in activities and lessons. This score is the sum of eight items, and the range of this score is 8 to 24.

The HOME expectations subscale. The HOME expectations subscale measures the extent to which the mother has expectations of the child to complete household tasks, like making one's bed, cleaning one's room, and picking up after oneself. This score is the sum of five items, and the range of this score is 5 to 15.

The HOME parent-child interaction subscale. The HOME interviewer assessment subscale measures the quality of the parent-child interactions as assessed by the interviewer and includes items, such as the extent to which the parent conveyed positive feeling about the child, answered the child's questions, and encouraged the child to contribute to the conversation.* This score is the sum of five items, and the range of this score is 5 to 15.

The HOME physical environment subscale. The HOME physical environment score measures the quality of the physical interior and exterior of the child's home and neighborhood as assessed by the interviewer and includes items such as the presence of health hazards in the home, the darkness and cleanliness of the home, and the presence of litter and garbage in the neighborhood.** This score is the sum of five items, and the range of this score is 5 to 15.

*Scores are available for only 346 families because this scale could only be completed if the child was present during the interview and if the interview was conducted in person.
**Interviewer assessments of the physical environment are available for only 713 families because this scale could only be completed when interviews were conducted in person.

Table 6.1

Florida's Family Transition Program

FTP's Impact on Home Environment at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Total HOME scale	72.9	72.6	0.2	0.3
HOME routines subscale	17.3	17.3	0.1	0.3
HOME cognitive stimulation subscale	16.8	16.8	0.0	0.2
HOME expectations subscale	13.6	13.6	0.0	-0.1
HOME parent-child interaction subscale	12.2	12.5	-0.3	-2.3
HOME physical environment subscale	13.4	13.0	0.3 **	2.6
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

See Box 6.1 for more information on all measures presented in the table.

FTP had little impact on the quality of the HOME environment, as measured here. There were no impacts of FTP on the total HOME scale or on any of the parent reported subscales (routines, cognitive stimulation, or expectations).[2] Consistent with the findings presented in Chapter 4, there was some suggestion that FTP families were in better homes and neighborhoods than AFDC families, as rated by interviewers. However, the interviewers rated the quality of the interactions between parents and children in both groups similarly.

B. Family Functioning and Parenting Practices for All Focal Children

Data on parental domestic abuse, emotional well-being, and parenting behavior are presented in Table 6.2. Greater detail about these measures is provided in Box 6.2 and in Appendix D.

Mothers were asked a series of questions about abuse since random assignment, when that abuse occurred, and who was the perpetrator of the abuse. Abuse includes both verbal abuse (yelling, threatening) as well as more extreme forms of physical and sexual abuse. Almost one-fourth of mothers in the AFDC group reported some form of domestic abuse in the past year by an intimate partner, and 42 percent reported some form of domestic abuse since random assignment. By far, the most common forms of abuse were the less severe forms of abuse (yelling, controlling, threatening). FTP had no impact on the proportion of mothers reporting any domestic abuse.

The middle panel of the table reports the findings on mothers' emotional well-being. Almost 40 percent of mothers in the AFDC group reported symptoms that suggest that they were at-risk of clinical depression. At the same time, very few mothers (4 percent) reported feeling highly aggravated with their children. FTP did not affect either mothers' level of depressive symptoms or their level of parenting aggravation.[3]

The bottom panel of the table presents the findings on mothers' parenting behavior. Mothers reported on their warmth (how often they hugged, praised, and showed affection to the focal child) and their harsh parenting (how often they spanked, scolded, or got angry with the focal child). FTP had no impact on either of these measures of the quality of parenting behavior.

Parents were also asked about their supervision of their children at the time of the four-year interview. The questions concerning supervision asked about the extent to which parents knew about the child's activities (homework, TV watching) and whereabouts (when they were arriving home, who they were with). FTP group parents reported lower levels of supervision of their focal children than their AFDC counterparts.[4] Additional analyses suggested that these impacts are similar for younger and older focal children (data not shown in table).

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[2]There were also no significant impacts of FTP on the three scales constructed to be comparable to the studies in the Project on State-Level Child Outcomes (HOME-Cognitive Stimulation Index, HOME-Emotional Support Index, and Family Routines). For further information on these scales, see Appendix D.

[3]There was also no significant impact of FTP on the parental aggravation scale created to be comparable to the studies in the Project on State-Level Child Outcomes. For further information on this measure, see Appendix D.

[4]There was a similar significant (negative) impact on the parenting supervision scale constructed to be comparable to the studies in the Project on State-Level Child Outcomes. For further information on this measure, see Appendix D.

Table 6.2

Florida's Family Transition Program

FTP's Impact on Domestic Abuse, Emotional Well-Being, and Parenting Behavior at the Four-Year Follow-Up for Parents of Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Parental domestic abuse				
Abuse by intimate partner last year (%)	23.5	24.5	-1.0	-4.1
Abuse by other person last year (%)	18.4	19.3	-0.9	-4.8
Ever any abuse since random assignment (%)	42.0	42.8	-0.8	-1.8
Parental emotional well-being				
Depression scale	14.0	14.1	-0.1	-0.9
At risk of clinical depression (%)	37.1	39.1	-1.9	-4.9
Aggravation scale	1.6	1.6	0.0	-0.5
Highly aggravated (%)	5.0	4.2	0.8	19.1
Parenting behavior				
Warmth scale	3.0	3.0	0.0	1.2
Harsh-parenting scale	1.7	1.6	0.0	2.7
Supervision scale	4.6	4.6	-0.1 **	-1.5
Sample size (total = 1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes parents of children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

See Box 6.2 for more information on all measures presented in the table.

Box 6.2

Measures of Emotional Well-Being and Parenting Behavior

Depression. Maternal depression was measured from maternal responses to a 20-item CES-D (Center for Epidemiological Studies-Depression) scale (Radloff, 1977). Mothers were asked about the frequency of a set of 20 depressive symptoms over the last week. Sample items include how often mothers were "bothered by things," "felt fearful," and "had crying spells" during the past week. Maternal responses were collected on a score of 0 ("rarely or none of the time") to 3 ("most or all of the time"). These items were summed, with a higher score indicating more depressive symptoms. The range of this score is 0 to 60. Consistent with the work of Radloff (1977), mothers with scores at or above a threshold of 16 were considered at-risk of clinical depression.

Aggravation. Aggravation in the parenting role includes maternal responses to six questions, each measured on a 4-point scale (ranging from "none of the time" to "all of the time"), including: "Is child harder to care for than most?" "Does child do things that really bother you?" "Have you felt you are giving up more of your life to meet your child's needs?" and "Have you felt angry with your child?" A mean score of these items was created, with a higher score indicating more aggravation. A measure of high aggravation was also created if a mother scored at or above a score of 16.5 on a summary score created from the aggravation scale (ranging from 6 to 24).

Maternal warmth. Mothers were asked about the number of times they showed the focal child physical affection, praised the focal child for doing something worthwhile, and told another adult something positive about the focal child during the past week. These items were recoded to range from 1 to 4, with 4 indicating "very often." The total score reflects the mean across these four items.

Harsh parenting. Mothers were asked about the number of times they spanked the focal child; scolded, yelled, or threatened the focal child; and got really angry at the focal child during the past week. These items were recoded to a scale ranging from 1 to 4 (with 4 indicating more frequent harsh parenting), from which a mean score was created.

Supervision. Mothers were asked a series of seven items about parental supervision of their children's whereabouts and activities, including how often they knew who the focal child was with when he or she was away from home, knew where the focal child was when she was away from home, if the focal child arrived back home when she was supposed to, whether the focal child finished any homework, and what TV programs the child watched. For each item mothers responded on a 1-to-5 scale, where 1 indicated "almost never" and 5 indicated "always." A mean score of these items was created, with higher scores indicating greater parental supervision.

While employment impacts declined over the four-year follow-up, FTP had significant positive effects on employment and earnings in the fourth year of follow-up for the focal child sample (see Appendix A). These higher levels of employment for the FTP group relative to their AFDC counterparts may account for the lower levels of supervision among FTP parents when compared with parents in the AFDC group.

III. Children's Outcomes

In this section, the effects of FTP are examined separately for two different age groups of children. First, findings are examined for focal children ages 5-12 at the four-year follow-up. For these children, FTP increased child care and father involvement, decreased parental supervision, but had little impact on other aspects of their home environment. Second, the effects of FTP on a few measures are presented for adolescent children (ages 13-17 at the time of the four-year follow-up). While FTP increased child care for younger school-age children, FTP did not increase child care for adolescent children or their involvement in after-school activities. Nonexperimental research has found that such activities can keep adolescents who are in high-risk environments away from deviant peer contact.[5]

A. Academic Functioning, Social Behavior, and Health Outcomes for Focal Children

As indicated in Chapter 5, FTP children were only slightly more likely than their AFDC peers to be in child care. Children may benefit from child care experiences if that care provides a safe learning environment. While FTP increased child care, particularly relative care, there is no evidence that the care for children in FTP was of lower or higher quality than the care for children in the AFDC group. Children in FTP did experience more continuous months of care, however, suggesting some measure of stability in children's care arrangements. In addition, FTP was found to increase father support and involvement. Increased father involvement may provide children with both increased financial support and the benefits of a male role model. However, FTP's effects were small and may have played a compensatory rather than a supplementary role in children's lives as parents moved from welfare into employment and were faced with time limits on their receipt of public assistance. Finally, FTP had little effect on children's home environments, one of the main pathways by which children may be affected by changes in parents' employment and income.

School outcomes. The findings on children's school outcomes are presented in Table 6.3. A large proportion (85 percent) of mothers in the AFDC group expected that their children would finish college. Children's average achievement in school was assessed using a 5-point scale ranging from "poor" to "very good." In general, parents rated their children as performing well in school. Two-thirds of mothers rated their children above average in school, while only 10 percent of mothers rated their children below average in school. Mothers also rated their children's engagement in school. This scale included items tapping the extent to which the child cares about school and does schoolwork. (See Box 6.3.) FTP had no impact on children's achievement or engagement in school, or on parents' expectations of their children's college completion.

[5]Posner and Vandell, 1994, 1999.

Table 6.3

Florida's Family Transition Program

FTP's Impact on School Outcomes at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Parental expectation of college completion (%)	85.0	84.6	0.4	0.5
Average achievement	4.1	4.0	0.1	2.5
Below average (%)	7.4	9.5	-2.1	-22.3
Above average (%)	69.7	66.0	3.7	5.6
Engagement in school[a]	10.2	10.2	0.0	0.1
Since random assigment, child:				
Ever in special education (%)	12.3	10.1	2.2	21.9
Ever repeated a grade (%)	25.8	24.8	1.0	4.2
Ever suspended (%)	8.2	8.8	-0.6	-6.5
Ever expelled (%)	0.7	0.2	0.5	278.4
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]See Box 6.3 for information on this measure.

Box 6.3

Measure of School Engagement

Engagement in school. Mothers were asked four questions about their child's level of engagement in school (for example, "My child cares about doing well in school"). Their responses could range from 1 ("not true") to 3 ("often true"). The child's engagement in school was measured by the sum of the mother's responses ranging from 4 to 12, with a higher number indicating a higher level of school engagement.

Parents were also asked whether their focal children were in special education classes, had repeated a grade level, and were ever suspended or expelled since random assignment. In the AFDC group, 10 percent of children were in special education classes. A quarter of children had repeated a grade level, and 9 percent had been suspended. Considering how young these children were over the follow-up period, these levels suggest some school difficulties for children in this sample. Expulsions were extremely rare for this age group of children. FTP had no impact on any of these measures of school functioning.

Children's behavior and health outcomes. In addition to measures of children's academic functioning, parents reported on children's social behavior, emotional adjustment, and general health. In this section, positive as well as negative aspects of children's behavior are examined. Positive behaviors include children's social interactions with peers. Behavior problems include both negative peer interactions, like beating up other children (also called "externalizing problems") as well as problems with emotional adjustment, like depression and anxiety (also called "internalizing problems"). Research has found that behavior problems, more so than positive behaviors, are associated with children's long-term academic and behavioral outcomes.[6] Details about the measures examined in this section are presented in the Box 6.4 and in Appendix D. For a comparison of children in the AFDC group of FTP and children in state and national samples on these and other measures, see Box 6.5.

Findings on children's behavior and health outcomes are presented in Table 6.4. In general, parents reported relatively low levels of behavior problems and high levels of positive behavior of their children. Impacts of FTP on children's behavior were rare. FTP had no impact on the children's level of behavior problems, but it had a negative impact on children's average positive social behavior. However, FTP had no impact on the proportion of children with high levels of positive social behavior. Given that positive social behavior is not highly predictive of children's academic and social functioning,[7] there is little concern about the negative impact of FTP on this outcome.

[6]Caspi, Wright, Moffit, and Silva, 1998.
[7]Caspi et al., 1998.

Box 6.4

Measures of Social Behavior and Emotional Adjustment

Behavioral Problems Index (BPI). Mothers responded to a series of questions designed to assess problem behavior of the focal child. The 28-item scale includes items such as "My child is disobedient at home" and "My child is too fearful or anxious," and responses can vary from 0 ("not true") to 2 ("often true"). See Peterson and Zill (1986) for details. A total score was created as the sum of responses to all 28 questions.

Two subscales of behavior problems were also computed: The *externalizing subscale* measures the extent to which the child demonstrates more aggressive behavioral problems, such as bullying and cheating, and the *internalizing subscale* measures the extent to which the child feels unhappy, anxious, or depressed.

High behavior problems. Children who scored at the top 25th percentile on the total behavior problems score were scored as high on behavior problems.

Positive Behavior Scale (PBS). Mothers were asked a series of questions designed to measure positive aspects of the child's behavior. This seven-item scale, developed by Polit (1996), includes items such as "My child is helpful and cooperative" and "My child is warm and loving," and responses ranged from 0 ("not at all like my child") to 10 ("completely like my child"). A total score was created as the sum of responses to the seven questions.

High positive behavior. Children who scored at the top 25th percentile on the positive social behavior score were scored as high on positive behavior.

Mothers rated their children's health functioning on a 5-point scale ranging from "poor" to "very good" and reported whether children had an accident or injury requiring a visit to the emergency room or clinic. In general, parents rated their children's health very highly, with only 6 percent of families in the AFDC group indicating that their children's health was poor. Fourteen percent of children had been to the emergency room or clinic for an accident or injury in the past four years.

Children in the FTP group were rated in better health than children in the AFDC group. Children in FTP were in better average health than their AFDC peers, and they were significantly less likely to be in poor health. These findings are surprising, given that there were no significant effects of FTP on children's health insurance coverage, nor were there significant differences between children in the AFDC group and the FTP group in whether children had seen a doctor or dentist in the last year and in whether children had a place for routine health care (data not shown in the table). Also, as indicated earlier, there was no evidence at the two-year follow-up that FTP's immunization requirements for preschool children were resulting in any differences between the FTP and AFDC groups in children's immunization status.[8] Given the potential relation

[8]Bloom et al., 1998.

Box 6.5

Comparison of Children in the AFDC Group with State and National Samples

Children in the AFDC group in the FTP evaluation were compared with low-income children in Florida and the United States and with all children in Florida and the United States on a small set of measures of child and family functioning. Data from the National Survey of American Families (NSAF) is utilized to compare AFDC group levels in FTP with these select samples of children. This information provides us with a snapshot of how similar children in FTP are with children in Florida and nationwide, and will indicate how representative of low-income families children in this study are. These results are shown in Appendix Table D.3.

Children in the AFDC group were compared with children from Florida and nationally on measures of (1) behavioral and emotional problems and (2) engagement in school. In addition, several measures of children's environments were also examined: (3) parental aggravation, (4) participation in extracurricular activities, and (5) parents' reading and telling stories to children. Measures were created to approximate the items collected in the NSAF (see footnotes in table).

Children in the AFDC group are comparable to children in Florida and nationally on the presence of behavioral and emotional problems, although the levels in the AFDC group are lower than those in low-income state and national samples. However, children in the AFDC group have much lower levels of school engagement than children in Florida and nationally, with only 10 percent of children in AFDC highly engaged in school relative to 30-40 percent of children in Florida and nationally for low-income samples and samples of all income levels.

Children in the AFDC group have much different environments as well. Children in the AFDC group have much higher levels of being read to than children in low-income samples and nationally, whether comparing FTP children to low-income or all income levels. However, it is important to note that this variable in NSAF concerns preschool children, while in the FTP evaluation it concerns children ages 5-12 years. Also, children in the AFDC group participate in much lower levels of extracurricular activities than children in Florida or nationally, with just over one-third of children in AFDC participating in such activities compared with almost three-fourths of low-income children and 80 percent of children at all income levels. However, in regard to parental aggravation, the levels reported in AFDC families are more similar to those reported in the state and national samples in the NSAF.

These findings suggest that the sample of children in FTP may not be representative of low-income families in Florida or nationally, based on the few measures examined here. It is unclear why these families would have such different levels of school engagement and participation in extracurricular activities.

between home environments and children's health (for conditions like asthma, in particular) the better home environments of FTP children may be associated with the better health outcomes.

Despite increases in father support and involvement, there were few changes to children's outcomes as a result of their parents' participation in FTP. While nonexperimental research has found father involvement to benefit children's functioning, such involvement is not typically studied in the context of a welfare intervention, and there are several reasons to expect that father

Table 6.4

Florida's Family Transition Program

FTP's Impact on Child Behavior and Health at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percentage Change
Behavioral Problems Index				
Total score	10.8	10.9	-0.1	-0.7
Externalizing subscore	4.3	4.3	0.1	1.3
Internalizing subscore	4.4	4.6	-0.2	-3.6
High behavior problems (%)	28.7	26.3	2.4	9.2
Positive Behavior Scale				
Total score	59.0	60.2	-1.2 *	-2.0
High positive behaviors (%)	26.0	26.3	-0.4	-1.4
Health and safety				
General health	4.2	4.1	0.1 *	2.2
In poor health (%)	3.5	6.2	-2.7 **	-43.6
Had accident/injury that required an emergency room visit since random assignment (%)	14.7	14.3	0.4	3.1
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

See Box 6.4 for more information on all measures presented in the table.

involvement may have very different effects in a program like FTP. First, it is difficult to tell from the results of nonexperimental studies whether children who receive child support and have greater father involvement are different in other ways than children who do not receive such support. Second, in FTP, child support payments and father involvement may serve a compensatory, rather than a supplementary, role. That is, the income from child support may serve to compensate for the loss of welfare income. The involvement of fathers may provide needed care for children while their mothers engage increasingly in employment and employment-related activities. The effects of father involvement and support may be very different when they supplement already existing forms of support and care than when they compensate for a loss of these supports.

B. School and Behavioral Outcomes for Adolescents

While FTP had little influence on children who were 5-12 at the four-year follow-up, the data provided in the survey allow us to examine how FTP may have affected adolescents as well. As indicated in the previous chapter, FTP had no impact on the child care or activities of adolescent children, ages 13-17 years. This is not surprising, given that these children can care for themselves after school. However, nonexperimental research has suggested that leaving children unsupervised in high-risk environments may encourage them to engage in risk-taking behavior and may be associated with increased difficulties in school. Adolescence can be a difficult transition for children, and mothers' involvement may help to keep children on a more positive trajectory.

School outcomes. Table 6.5 presents the data on adolescent outcomes for children ages 13-17 in all families in the survey sample. As with the children 5-12, children's achievement was assessed on a 5-point scale ranging from "poor" to "very good." Parents reported that, in general, very few children (almost 11 percent in the AFDC group) were performing below average in school. However, almost one-third of children in the AFDC group were reported to have been suspended since random assignment, and almost 6 percent of children had been expelled in this period. Fifteen percent of children had received special education services.

On a couple of measures of children's school functioning, children in the FTP group were scoring more poorly than children in the AFDC group. On average, children in FTP had lower achievement in school than children in the AFDC group, although there was no significant difference between the groups in the proportion of adolescents who were performing below average in school. FTP also increased the proportion of children who were suspended, by almost 8 percentage points, but had no impact on the proportion of children expelled. FTP did not have a significant impact on the proportion of children who were receiving special educational services in school.

Police involvement and fertility outcomes.[9] Parents also reported on children's police involvement. Parents were asked whether their adolescent children were ever arrested or

[9]While all families were asked whether any of their children between the ages of 10 and 17 were involved with the police, only children in families with a focal child were asked about arrests and convictions. For these reasons, the sample sizes for these measures of police involvement are smaller than those for the school achievement and fertility outcomes.

Table 6.5

Florida's Family Transition Program

Summary of Impacts on Child Outcomes at the Four-Year Follow-Up for All Children Ages 13-17

Outcome	FTP Group	AFDC Group	Difference (Impact)	Percent Change
School outcomes				
Average achievement	3.7	3.9	-0.2 *	-4.0
Below average (%)	14.8	10.9	3.9	36.0
Since random assignment, child:				
Ever in special education (%)	18.7	15.4	3.3	21.7
Ever suspended (%)	40.7	32.7	8.0 **	24.4
Ever expelled (%)	6.4	5.8	0.5	8.8
Police involvement outcomes				
Since random assignment, child:				
Ever arrested (%)	9.6	9.2	0.4	4.1
Ever found guilty (%)	6.0	5.7	0.3	4.6
Fertility outcome				
Since random assignment:				
Child ever had a baby (%)	2.8	3.3	-0.5	-16.1
Sample size (total = 741)	367	374		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 13-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

convicted, for any offense other than minor traffic violations. Nine percent of adolescents in the AFDC group were ever arrested, and almost 6 percent were ever convicted of an offense since random assignment. FTP had no impact on these measures of children's involvement with police. Finally, parents were asked whether their boys and girls had had any children of their own. In both the AFDC and the FTP groups, 3 percent of teenagers had a baby at some time over the follow-up period.

These findings suggest that FTP may have had a couple of negative consequences for older children's school functioning but that it did not affect all measures of school performance nor children's involvement with police or fertility outcomes. Whether this reflects real difficulties as adolescents adjust to parents' increased work schedules is not yet clear. These results are consistent with the findings from Canada's Self-Sufficiency Project.[10] In this study, there was some suggestion of negative impacts on adolescent children, but it was based on a sample with very low response rates. Parents moving into employment may not leave their adolescent children adequately supervised, and this decreased supervision may lead to difficulties for adolescents in high-risk neighborhoods. However, the findings reported here are not strong enough or pervasive enough across outcomes to indicate conclusively that FTP had negative effects on adolescent children.

IV. Effects on Child and Family Outcomes for Welfare Dependency Subgroups

Three groups of families participated in the FTP evaluation, and impacts on parental economic outcomes differed across these three groups of families. For the families least at risk of welfare dependency, FTP increased employment and earnings, and these impacts were sustained through the fourth year of the follow-up period. Also, only for this subgroup did some of the increase in earnings come because employed FTP group members earned more than employed AFDC group members. Such employment increases may benefit children by increasing regular routines, improving mothers' sense of self-efficacy, and providing a positive role model. However, mothers balancing the demands of full-time employment along with family responsibilities may struggle emotionally and may have difficulty in supervising their children. This may have negative consequences for their children.

Impacts on parental economic outcomes were somewhat different for the families most at risk of welfare dependency. FTP increased employment for this group, but only earlier in the follow-up period, not at the fourth year of follow-up. FTP also decreased welfare receipt for this subgroup. Considering the stigma that comes with welfare income, moving mothers out of the welfare system may enhance their emotional well-being and, in turn, children's development. On the other hand, the loss of the safety net for such highly dependent families may increase maternal stress and thus disrupt children's development. The previous chapter suggested that, for these families, there is little evidence of a decline in income due to the loss of welfare benefits; however, there was a subset of these families facing significant barriers to work who did seem to experience some income loss. Even if parents are compensating for any loss of income from welfare by drawing on other sources of income, children may be negatively affected if piecing together these supports places strain on low-income mothers. On the other hand, children may

[10]Morris and Michalopoulos, 2000.

be unaffected if parents can shield them from the income loss, by making few changes to expenditures for children.

A. Effects on Children's Outcomes for School-Age Children

As indicated earlier, for a few behavioral and academic outcomes, data were collected on all children in the household. Data on 5- to 17-year-old children's average achievement in school, suspensions and expulsions, and special education services were analyzed separately for the three risk subgroups of families. These findings are presented in Table 6.6.

As indicated in the right-hand column of the table, impacts on all the outcomes except children's experience in special education were significantly different across the three risk subgroups. For the most at-risk group, there were no significant impacts on children's achievement in school, suspensions, expulsions, or special education. For the medium-risk group, only for children's expulsions was there a significant program impact, with children in FTP having more school expulsions than children in AFDC. However, on other measures, the FTP and AFDC groups did not differ.

For the least at-risk subgroup, the pattern of effects were much different. Although these families had the most favorable impacts on employment and earnings, effects on children's school outcomes were generally unfavorable. Children in the FTP group were reported (by their parents) to be performing worse in school than children in the AFDC group, on average. Also, children in the FTP group were more likely to be performing below average in school. While 7 percent of children in the AFDC group, were performing below average in school, the impact on this measure was just over 6 percentage points, such that almost 14 percent of children in the FTP group were performing similarly poorly in school. While children in both groups were equally likely to receive special education, children in the FTP group were 12 percentage points more likely to be suspended than children in the AFDC group (the AFDC level is 22 percent; the FTP group level is 12 percentage points higher, at 34 percent). There were no impacts on the proportion of children expelled from school since random assignment. These negative effects of FTP are consistent with those reported in Chapter 5, which suggested that child care subsidies for protective services were more likely to be provided for children in the FTP group than the AFDC group.

It is important to note that these negative impacts are for parent-reported measures of school outcomes, rather than more objective measures like teacher reports or school records. Parents who are stressed by work may perceive their children as having more problems than parents who are working less; therefore, differences between the two groups may reflect parental *perceptions* of child behavior, rather than actual differences in child functioning. However, as noted in Chapter 5, there was also a small increase in the use of protective services child care, measured with administrative data.

These findings suggest that caution is in order in concluding that the least at-risk families benefited the most from FTP. While FTP parents in this group were more self-sufficient, their children were negatively affected by FTP. Notably, while FTP did increase employment earlier in the follow-up period in the medium-risk and most at-risk subgroups, there were no negative effects on children in these groups. What differentiates the impacts on employment in the least at-

Table 6.6

Florida's Family Transition Program

Summary of School Impacts at the Four-Year Follow-Up for All Children Ages 5 - 17, by Welfare Dependency Subgroups

	Least at Risk			Medium Risk			Most at Risk			Variation in Subgroup Impacts
Outcome	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	
Average achievement	3.9	4.2	-0.3 ***	4.0	4.0	0.1	3.8	3.8	0.1	***
Below average (%)	13.7	7.3	6.4 **	8.9	8.7	0.3	10.1	13.1	-3.0	**
Since random assignment, child:										
Ever in special education (%)	15.3	13.1	2.2	12.8	9.9	2.9	13.9	14.5	-0.5	
Sample size (total= 3,042)	*276*	*293*	*569*	*693*	*690*	*1383*	*523*	*567*	*1090*	
Ever suspended (ages 10 and older) (%)	34.3	22.0	12.3 **	27.3	28.2	-0.9	27.7	26.7	1.0	*
Ever expelled (ages 10 and older) (%)	5.1	2.1	3.0	5.7	2.5	3.2 **	1.8	3.8	-2.1	**
Sample size (total= 1,425)	*167*	*177*	*344*	*315*	*313*	*628*	*218*	*235*	*453*	

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 5-17 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.
A two-tailed t-test was applied to regression-adjusted impact estimates.

Sample size may slightly vary for each outcome variable due to missing data.
Rounding may cause slight discrepancies in sums and differences.

[1]A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

risk families is that the least at-risk families were most likely of the three subgroups to experience an increase in earnings among those employed (see Chapter 3) and, among the survey sample, were more likely to experience an increase in recent employment (see Appendix B). Also, there was no evidence of a corresponding increase in child care for these least at-risk families (see Chapter 5). One possibility is that this combination of greater employment without corresponding increases in child care played a role in the negative effects of FTP on this subgroup of children. However, there could be other reasons that these least at-risk children fared more poorly than their AFDC counterparts in the context of FTP. In the next section, we examine whether the effects of FTP on focal children's home environments suggest any pathways by which these negative effects of FTP on the least at-risk children occurred.

B. Effects on Focal Children

As indicated previously, more detailed measures were collected for children's home environment and behavioral and school outcomes for a smaller sample of focal children ages 5-12 at the four-year follow-up. The sample of focal children is small, and therefore it is difficult to obtain reliable impact estimates when splitting the sample into the three subgroups of families. However, analyses were conducted to see whether the patterns of effects were similar to those found with the larger sample of school-age children, and to see whether the patterns suggest any of the pathways by which the least at-risk subgroup may have experienced more negative impacts due to FTP.

The top panel of Table 6.7 presents the impacts of FTP on the home environment and parenting practices for the least at-risk, medium-risk and most at-risk subgroups. Impacts were significantly different across the three risk subgroups for only the parental supervision scale. All other differences between the risk subgroups were too small to be considered statistically significant and may be due to chance. For the least at-risk subgroup, mothers in FTP had lower scores on the supervision scale, meaning that they were less likely to know about their children's regular activities and whereabouts than mothers in AFDC families. The effects of FTP on parental supervision were insignificant for the other two risk subgroups. (FTP also decreased parental depression among the most at-risk families, but this impact is not statistically different than the impacts for the two other risk subgroups.)

The bottom portion of the table presents the impacts of FTP on children's school and behavior outcomes. The findings are consistent with the findings presented in the last section, with FTP children in the least at-risk families having more negative outcomes than their AFDC counterparts. On several measures, impacts for the three subgroups were significantly different — specifically, on measures of parental expectations of college completion, school achievement, and performing below average in school and on one rating of positive behavior.

In the least at-risk subgroup, parents in FTP were less likely to expect their children to finish college than parents in the AFDC group. Likewise, children in FTP were reported to be doing worse in school on average than their peers in the AFDC group. In both the medium-risk and the most at-risk subgroups, FTP improved children's average achievement. However, there were no impacts for the proportion of children ever suspended from school (nor on children's engagement in school; data not shown in table). In terms of behavior, children in FTP were less likely than their peers in the AFDC group to have high scores on the positive behavior scale, a 12

Table 6.7

Florida's Family Transition Program

Summary of Impacts on Family and Child Outcomes at the Four-Year Follow-Up for Focal Children, by Welfare Dependency Subgroups

	Least at Risk			Medium Risk			Most at Risk			Variation in Subgroup Impacts
Outcome	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	
Home environment and family functioning										
HOME scale	74.4	75.6	-1.1	72.2	72.6	-0.4	72.8	71.5	1.2	
At risk for depression (%)	31.3	25.4	5.9	38.7	39.1	-0.4	38.1	46.9	-8.7 *	
Warmth scale	3.0	3.1	-0.1	3.1	3.0	0.1 *	3.0	3.0	0.0	
Harsh-parenting scale	1.6	1.7	-0.1	1.7	1.6	0.1	1.7	1.6	0.0	
Supervision scale	4.4	4.7	-0.3 ***	4.6	4.7	0.0	4.6	4.6	-0.1	**
Children's outcomes										
Parental expectation of college completion (%)	85.9	94.6	-8.7 **	87.8	87.2	0.7	81.0	74.8	6.2	**
Average achievement	3.9	4.2	-0.3 **	4.2	4.0	0.2 **	4.0	3.8	0.2 *	***
Below average (%)	11.8	9.0	2.8	6.6	8.2	-1.6	5.0	12.7	-7.7 **	*
Ever suspended since random assignment (%)	7.6	13.5	-5.9	7.5	8.2	-0.7	8.9	7.7	1.1	
Behavior problems	11.9	10.6	1.3	10.6	10.6	0.0	10.5	11.3	-0.8	
High behavior problems (%)	35.9	24.3	11.6 *	26.5	25.5	1.0	28.6	27.8	0.8	
Positive behavior	57.7	59.5	-1.9	58.0	59.2	-1.3	59.4	60.6	-1.2	
High positive behavior (%)	15.1	26.8	-11.7 **	28.3	24.3	4.0	27.7	30.0	-2.3	*
Sample size (total=1,108)	103	104	207	259	277	536	261	104	365	

(continued)

Table 6.7 (continued)

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 5-12 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent.

A two-tailed t-test was applied to regression-adjusted impact estimates.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and FTP group sample sizes.

"Ever expelled" could not be calculated because of low incidence.

percentage point impact. FTP also increased children's high scores on behavior problems, an 11 percentage point impact (although this impact is not statistically significantly different than the impacts for the other risk subgroups). On the average measures of children's behavior, however, FTP and AFDC groups did not differ. Also, FTP and AFDC groups did not differ in their general health (data not shown in table). These findings provide further support for the contention that FTP may have had some unfavorable effects on children in the least at-risk subgroup, at least based on parental perception of children's outcomes.

Since there were no impacts of FTP on measures of the home environment involving parental depression, warmth, and harsh parenting for the least at-risk subgroup, it is unlikely that these aspects of the home environment played a role in the negative effects of FTP on children's outcomes for this group of children. The lower levels of parental supervision reported by FTP parents in this subgroup may be related to the higher levels of negative school and behavioral outcomes for their children. However, it is not clear that lower levels of parental supervision are the *cause* of the negative child outcomes, for two reasons. First, children who are acting up may communicate less with their parents about their activities and whereabouts, making the child behavior the cause (rather than the consequence) of the reduced parental supervision. Second, other explanations for the negative effects of FTP on this least at-risk subgroup of children are also possible. For example, the increased time pressure or stress that parents experience when working more hours (which was not measured in this study) may be related to the negative effects of FTP for the least at-risk subgroup of children as well.

C. Effects on Adolescent Behavior

For a small number of older children, parents were asked about their children's police involvement and fertility behavior. Even more so than the impacts presented about the focal children, the samples on which these analyses are based are very small, and therefore conclusions based on these analyses are much more tenuous. Findings are presented in Table 6.8.

Effects of FTP by risk subgroup are consistent with those examined for the larger sample of children. In terms of police involvement, FTP children in the least at-risk subgroup seem to have fared more poorly than their peers in the AFDC group. In the least at-risk subgroup, more families in the FTP group had a child who was involved with the police than families in the AFDC group, a 10 percentage point impact. In addition, there was a 7 percentage point impact on the proportion of children arrested or taken into custody and on the proportion of children convicted of an offense. While almost no children in the AFDC group were ever arrested or found guilty, 7 percent of children in the FTP group were ever arrested or convicted. Unfortunately, it is unclear how severe the crimes were for which children were being charged, and therefore these offenses may include minor offenses like loitering as well as major crimes. Only minor traffic violations were excluded from these offenses. There were no impacts for any of the groups on children's fertility behavior.

Notably, the sample of children in this final analysis, particularly in the least at-risk subgroup, is very small. Therefore, the behavior of a small number of children is driving the results. It is possible that the findings would not be replicated in a larger sample of children. However, the consistency of these findings with those reported above on the larger sample of children does

Table 6.8

Florida's Family Transition Program

Summary of Behavior Impacts at the Four-Year Follow-Up for All Children Ages 10 - 17, by Welfare Dependency Subgroups

	Least at Risk			Medium Risk			Most at Risk			Variation in Subgroup Impacts
Outcome	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	FTP Group	AFDC Group	Difference[a]	
Police involvement outcomes										
Since random assignment:										
Any child in the family ever involved with police (%)	20.5	10.2	10.2 **	11.4	16.6	-5.2	11.1	13.4	-2.3	**
Sample size (total= 906)	*118*	*117*	*235*	*204*	*202*	*406*	*129*	*136*	*265*	
Child ever arrested (%)	7.7	1.4	6.3 **	3.7	5.2	-1.5	4.4	4.5	-0.1	
Child ever convicted (%)	7.1	0.3	6.8 *	0.6	2.1	-1.5	3.0	3.8	-0.8	
Sample size (total= 939)	*90*	*96*	*186*	*190*	*204*	*394*	*175*	*184*	*359*	
Fertility outcome										
Since random assignment:										
Child ever had a baby (%)[b]	3.1	2.5	0.6	1.7	2.1	-0.4	1.6	3.6	-2.0	
Sample size (total= 962)	*120*	*130*	*250*	*213*	*208*	*421*	*138*	*153*	*291*	

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 10-17 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.
A two-tailed t-test was applied to regression-adjusted impact estimates.

Sample size may slightly vary for each outcome variable due to missing data.
Rounding may cause slight discrepancies in sums and differences.

[a]A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and FTP group sample sizes.

[b]Outcome assesses children 12 or older at four-year follow-up.

raise the possibility that children may be more involved with the police in the least at-risk subgroup due to FTP.

D. Effects of Child Age and Risk of Welfare Dependence

The least at-risk families include a larger proportion of adolescent children than the most at-risk families. Therefore, it is important to examine the extent to which the differences between the risk subgroups in the school and police involvement outcomes are driven by differences in the age of the children or the risk status of the family. Therefore, analyses were conducted to test whether child age or family risk status better differentiate the effects of FTP on these outcomes. The analyses (not shown) suggest that the differences in impacts for the three risk subgroups of children are largely due to family risk status and not the presence of adolescent children in the family. The differences in school achievement (average and below average) for children are associated with differences in the risk status of families, even after accounting for any differences in impacts for younger and older children. The same is true for the impacts on police involvement. Only for suspensions is this not the case, for which the differences in impacts are driven by the greater likelihood of adolescent children to be suspended and by the greater percentage of families with adolescent children in the least at-risk subgroup.

E. Highly Disadvantaged Familes

As indicated in Chapter 3, there is variability within each of the three subgroups defined by their risk of welfare dependency. For families most at risk of welfare dependency and facing multiple barriers to employment (referred to as "highly disadvantaged families"), there was some suggestion that FTP may have resulted in an income loss. Analyses were conducted on the 5- to 17-year-old children in this group of families (data not shown). Impacts on children for this group of families did not suggest any negative effects of this loss of income on children's well-being. There were no significant impacts of FTP on children's achievement in school, special education, or grade repetition, nor were there any significant impacts on older children's likelihood of suspensions or expulsions.

V. Summary and Conclusions

In sum, for focal children ages 5-12 years at the four-year follow-up, FTP had very few impacts on children's home environments, family relations, and functioning. While there is some concern that a time-limited welfare program might increase parental stress or depression, there is no evidence of such negative effects of FTP overall. At the same time, however, declines in welfare payments and increases in employment did not play out in positive outcomes for families.

The small increases in children's care arrangements and involvement of fathers (described in Chapter 5) did not generally result in effects of FTP, either positive or negative, on children's functioning for focal children between the ages of 5 and 12 years. Children in the AFDC and FTP groups were performing similarly in school, based on a variety of measures, and there were no differences in children's behavior problems. The only difference between the two groups was in positive behaviors (a negative impact) and in health outcomes (a positive impact). Both of these effects are very small and are likely not very consequential for children's long-term functioning. Considering the concern of time-

limited welfare programs for young children, it is reassuring that children's development was not being adversely affected by FTP.

For adolescents, there is some suggestion of unfavorable impacts of FTP on a couple of measures of children's school outcomes, but not in other measures of school outcomes or in measures of children's behavior. Children in FTP were performing worse in school and were more likely to be suspended than their counterparts in the AFDC group. However, there were no differences between the FTP and AFDC groups in other measures of school functioning or in children's involvement with the police. Unlike their younger peers, adolescents may be left unsupervised as parents engage in greater levels of employment. Also, adolescents may be asked to take on increased family responsibilities as parents are increasingly out of the home. Unfortunately, we have no measures of the home environments of the adolescent children in order to inform our hypotheses about why adolescent children may have been negatively affected by FTP. However, the findings suggest that we may need to monitor how adolescents fare as parents make the transition from welfare to employment. Because the effects of FTP are small and limited to only a couple of measures, however, data from other studies that are currently being conducted will be critical in making more definitive conclusions about the effects of welfare-to-work programs on adolescent children.

Notably, for children in the most at-risk families, there were very few impacts of FTP, and those that are found are positive (for small samples of focal children). Discussions involving children's well-being in the context of time-limited welfare programs have focused on children in the most at-risk families — families who were most likely to hit the time limit and lose their welfare benefits. The results from this study suggest that a time-limited welfare program like FTP may not have negative consequences for these children.

While the findings presented in the previous chapters suggest that FTP may have had its most positive effects for families least at risk of welfare dependency, the findings presented in this chapter suggest that caution is in order in drawing such optimistic conclusions about this least at-risk subgroup. In general, while the least at-risk subgroup had the largest employment and earnings gains due to FTP (particularly at the end of the follow-up period), the children in the least at-risk subgroup were most likely to experience negative impacts due to FTP, although these findings are based on measures of parental reports.

In these least at-risk families, school-age children in FTP were performing more poorly in school than children in the AFDC group, and they were more likely to be suspended from school. Similar negative effects of FTP also emerged in smaller samples of middle-childhood children (on children's school and behavioral outcomes) and of older children (on their police involvement). The only parenting measure on which there was a significant program impact was parental supervision. For the focal children in the least at-risk subgroup, parents in FTP reported less supervision of their children than parents in the AFDC group, consistent with the increases in employment and earnings for this group at the end of the follow-up period. The lower levels of supervision in these least at-risk families may be one explanation for these negative impacts of FTP on children.

Other experimental studies that were conducted on children in the middle-childhood range have found positive impacts on measures of child well-being in programs that increase employment and in-

come.[11] Why, then, did the group with the largest employment and income impacts not experience positive effects of FTP? Possibly, the more modest income gains found in FTP relative to those in these other evaluations — even for the least at-risk subgroup — were not enough to generate positive effects for children. The effects on income in the other studies were larger because these other studies increased income by increasing employment *and* by providing an earnings supplement (either through the welfare system or outside the welfare system) that families received in addition to their wages. In FTP, all the increased income was generated as a result of earnings, primarily because families in FTP were more likely to be working and were working for more weeks than their AFDC counterparts. It is less clear why FTP would have produced negative, rather than neutral, effects. One potentially important factor is that increases in employment with a time limit may be more stressful (even if few FTP families in this subgroup hit the time limit) as parents in such a program are faced with not having the safety net of welfare.

Concerns about children in the context of welfare reform have focused primarily on young children and on families who face the greatest barriers to employment. These findings suggest that the focus of many people's concerns may have been misplaced. As parents move from welfare into employment, it is important to recognize the possibility that adolescents may have difficulty adjusting to this family transition and that children in families who are less welfare dependent may be more negatively affected than those in families more likely to remain on the rolls.

[11]Bos et al., 1999; Gennetian and Miller, 2000; Morris and Michalopoulos, 2000.

Chapter 7

Reaching the Time Limit and After

There is no difference between life now and life under FTP; in both situations there is never enough money.

— Former FTP Participant

As discussed in Chapter 1, few families have reached time limits; hence, very little is known about the effects of benefit termination on family well-being. Critics of time-limited welfare argue that the most disadvantaged welfare recipients — that is, people with the most barriers to work — will quickly exhaust their allotted months of welfare and face severe hardship once they stop receiving cash assistance. Post-time-limit research from Florida's Family Transition Program (FTP) provides an opportunity to explore some of the popular myths and hypotheses about welfare time limits.[1]

Up to this point, this report has focused primarily on assessing the impacts of FTP on adult economic outcomes and child well-being. This chapter takes a closer look at FTP's time limit and examines a number of *exploratory* questions about who reached FTP's time limit, how people fared after the time limit, and how people who reached the time limit compare with other former welfare recipients (also referred to as welfare leavers). Descriptive and nonexperimental analyses are used to explore the above questions, and the findings cannot be used to draw conclusions about the impacts of FTP or welfare reform; there is no way to know what would have happened to these families had their welfare not ended. Evidence on the impacts of FTP is provided in Chapters 3 to 6.

This chapter is organized around three sets of questions being asked about FTP's time limits:

- **Who reached the time limit?** Is there evidence of higher levels of disadvantage among those who reached the time limit? How much were families relying on welfare cash assistance before the time limit?
- **How did families fare after the time limit?** What were their post-time-limit economic circumstances? How many worked after the time limit? How did they cope

[1]One other source of information somewhat relevant to the impacts of welfare time limits comes from studies of welfare leavers. Evidence from leavers studies indicate that between 50 and 70 percent of welfare leavers are employed in the first quarter after exit (U.S. Department of Health and Human Services, 2000; Loprest, 1999) but that somewhere between 24 and 35 percent of leavers return to welfare within 12 months of exit; little is known about other outcomes. A major limitation of the welfare leavers studies is that they do not provide a context for interpreting levels of outcomes observed among leavers. In the absence of a benchmark, it is impossible to determine whether observed outcomes are large or small (Moffitt and Pavetti, 1999). Further, leavers studies tend to focus on voluntary exits, and it is possible that people who reach a welfare time limit are different from those who exit on their own. For example, long-term welfare recipients, with very limited work experience, might face very different challenges and obstacles to economic self-sufficiency compared with recent welfare recipients with some work history.

with the loss of welfare cash assistance? What types of hardships were experienced?

- **How do families who reached the time limit differ from other types of welfare leavers?** How do these groups compare in terms of their economic struggles and strains after they leave welfare?

Various data gathered for FTP's evaluation, including FTP's special post-time-limit study, are used to address these broad sets of questions. Combined together, these analyses go beyond any results available on families reaching the time limit.[2] This chapter builds on previous MDRC reports on FTP's evaluation and provides a much more detailed description of the characteristics of families reaching the time limit, their experiences and situations a year-and-a-half after benefits were canceled, and how families who reach the time limit differ from others who stop receiving welfare.

I. Findings in Brief

Four key findings emerge from the analysis of families reaching the time limit and their post-time-limit-experiences.

- **Who reached FTP's time limit?** Younger women with longer welfare receipt and weaker work history prior to entering FTP were more likely to reach the time limit and have welfare benefits canceled. Those who received more months than the time limit allowed (mostly those who received exemptions) were generally older women, who were less job-ready and had been on welfare longer than those whose benefits ended.

- **How welfare dependent were the families before they reached the time limit and had their benefits canceled?** The average AFDC/TANF benefit in the month prior to the time limit was $213. Welfare benefits accounted for 18 percent of total income in the quarter prior to termination for respondents who worked all four quarters before the time limit. Twenty percent of the families who reached the time limit lost 50 percent or more of their income when benefits expired. As expected, welfare dependency was highest for those who did not work in any of the four quarters before the time limit (23 percent of those reaching the time limit); welfare accounted for 52 percent of their total income in the quarter prior to termination.

- **What are the post-time-limit experiences of these families?** Nearly one-third of the FTP participants whose benefits were canceled did not work at all after reaching the time limit. Regardless of their work status, most families relied on personal networks to cope with the loss of welfare benefits. Social service agency sup-

[2]As of January 2000, substantial numbers of families had reached termination time limits in only a few states. Where data exist on families who reached the time limit, the data are short term and, at best, describe early findings (three to six months after exit). See, for example, Hunter-Manns and Bloom, 1999; Gordon et al., 1999; Richardson et al., 1999.

port was critical for those who could not rely on family or friends. Few families experienced severe hardships such as homelessness. Working women were more likely to report unmet medical or housing needs and food insecurity.

- **How did the experiences of people who reached the time limit differ from FTP and AFDC leavers (or former welfare recipients)?** FTP participants who reached the time limit and had their welfare grants canceled were less likely to be employed and had lower earnings and income at the four-year point. However, despite the differences in economic circumstances, families whose welfare benefits were canceled experienced similar levels of housing-related hardships as those families who left welfare before the time limit. There is some evidence that families whose welfare benefits ended relied more on social services agencies and programs for rental/utility assistance and food-related needs.

II. Characteristics of Families Reaching FTP's Time Limit

A. Who Reached the Time Limit?

Background characteristics data gathered at the point of random assignment are used to compare three groups of FTP sample members: (1) those who reached FTP's 24- or 36-month time limit by June 1999 and had benefits canceled; (2) those who received more months than their time limit — mostly because of exemptions; and (3) those who used less than 24 or 36 months of welfare — that is, those who did not reach the time limit.[3] This three-way comparison increases our understanding about individual characteristics as they relate to FTP participants' time-limit status — that is, whether they used up their time limit or not. The analysis also explores whether individuals with significant barriers to employment — or the hard to serve — were more likely to reach the time limit or, rather, to receive more months of welfare than their time limit allowed.

As shown in Table 7.1, there is evidence that long-term welfare recipients and those with limited earnings capacity were more likely to reach the time limit. Sixty-two percent were long-term welfare recipients (that is, received more than two years of welfare prior to random assignment), compared with 50 percent of those who did not reach the time limit.

Younger at the time they entered the program, they were also more likely to have never married and to have at least one child under age 2. This group is also disproportionately African-

[3]As noted in Figure 2.7, by June 1999, 75.7 percent of the FTP report sample left the program before reaching the time limit; 7.4 percent did not reach the time limit even after exhausting their initial 24 or 36 months of eligibility. Only the remaining 16.9 percent stopped receiving assistance because of reaching the time limit, suggesting that the majority of exits from FTP were either voluntary or because of ineligibility for FTP benefits owing to higher earnings. See Chapter 2 for details about who was eligible to receive more months of welfare than their time limit allowed.

Table 7.1
Florida's Family Transition Program

Demographic Characteristics of FTP Group Members at Random Assignment, by Benefit Termination Status

Characteristic	Did Not Reach Time Limit	Reached Time Limit	Received Exemption
Age (%)			
Less than 25	32.9	42.2	18.1
25-34	46.4	36.7	51.4
35 and over	20.6	21.1	30.5
Average age	29.3	28.3	31.9
Ethnicity (%)			
White, non-Hispanic	46.5	27.6	35.0
Black, non-Hispanic	50.1	70.3	63.0
Other	3.5	2.2	2.0
Family status			
Never married (%)	50.1	58.9	54.5
Number of children	1.9	2.2	2.2
Age of youngest child (%)			
Less than 2 years	41.9	52.2	36.0
3 -5 years	28.7	23.5	27.0
6 or more years	29.4	24.3	37.0
Educational status			
No high school degree (%)	39.7	47.2	49.0
Employment and earnings			
Employed in year prior to random assignment (%)	49.0	42.2	38.1
Average earnings in year prior to random assignment ($)	1,763	1,063	669
Welfare history (%)			
Less than 2 years	49.9	37.5	26.5
2 or more years	50.1	62.5	73.5
Housing status (%)			
Received housing assistance	22.3	35.3	31.4
Sample size (total =1,296)[a]	954	237	105[b]

SOURCE: MDRC calculations from Baseline Information Forms.

NOTE: [a]Excludes 8 percent of FTP group members who did not receive AFDC/TANF after random assignment.

[b]This column includes FTP group members who received more months of benefits than their time limit allowed. This is a slightly different definition than was used in Figure 2.7, which shows 103 people in this status. As noted in Chapter 2, not all of these individuals actually received exemptions.

American.[4] Nearly 47 percent lacked a high school diploma or GED, compared with 40 percent of those who did not reach the time limit. Finally, 35 percent received some form of public housing assistance, compared with 22 percent of those who did not reach the time limit.

The sample members who received more months of welfare than their time limit allowed appear to have been somewhat more disadvantaged than the group who had benefits canceled at the time limit. Slightly older at the time of random assignment (32 years, on average) and less likely to be caring for children under age 2, they had somewhat weaker employment history and higher welfare dependency: 74 percent had been on welfare for two years or more prior to random assignment, compared with 63 percent of those whose benefits were canceled. It is not clear, however, whether and to what extent these characteristics were linked to sample members' exemption status. The majority of exemptions were granted for medical or health reasons, and on the Private Opinion Survey (POS) administered at the time of random assignment, individuals who ended up receiving more months than their time limit were more likely to report an emotional or health problem (for themselves or for family members) preventing them from working part time. For example, 37 percent of those who received more months than their time limit allowed agreed to the POS question that an emotional or health problem prevented them from working part time, compared with 22 percent of those who reached the time limit.

B. Pre-Time-Limit Welfare Dependency

To assess the effect of losing AFDC/TANF cash benefits at the time limit, it is important first to understand the extent to which FTP families were dependent on welfare and whether AFDC/TANF benefits constituted a substantial portion of total income in the period leading up to the time limit.[5] It is possible that those combining work and welfare before the time limit might not face very significant losses in welfare benefits at the time limit, compared with program participants who were not working or working very little and therefore might be more likely to be receiving larger welfare grants when benefits ended.

Two measures are constructed to assess welfare dependency in the pre-time-limit period: (1) average AFDC/TANF benefit in the month prior to termination and (2) the proportion of income from AFDC/TANF in the quarter prior to termination.[6] Findings are presented in Table 7.2 for all 237 families whose benefits were terminated at the time limit, and a breakdown is also provided by sample members' level of employment in the four quarters preceding the time limit.

As shown in the right-hand column of Table 7.2, the average AFDC/TANF benefit received in the last month on welfare was $213 — approximately 35 percent of total income as measured by earnings and public assistance in the quarter prior to exit. As expected, the group that did not work at all in the four quarters before exit was the most dependent on welfare cash assistance. Sample members in this group received an average of $227 in the last month of wel-

[4]Although 70 percent of those who reached the time limit are African-American, only 30 percent of all African-American sample members reached a 24- or 36-month time limit.

[5]Florida is a relatively low-grant state, and the maximum benefit for a family of three is $303.

[6]Total income is based on administrative records data (UI earnings, Food Stamps, and AFDC/TANF benefits), which are obtained for FTP sample members only. As noted in Chapter 4, income measures based on administrative records present just part of the income for respondents living with other income-generating adults.

Table 7.2
Florida's Family Transition Program

Welfare Dependency Prior to Reaching the Time Limit, by Work Status

Characteristic	Did Not Work Any of the 4 Quarters Before Time Limit	Worked 1-3 of the 4 Quarters Before Time Limit	Worked All of the 4 Quarters Before Time Limit	Total Sample
Percentage of all families reaching the time limit	22.8	48.5	28.7	100
Average AFDC/TANF benefit in month before termination ($)	227	223	187	213
Less than $100 (%)	7.4	18.3	26.5	18.1
$100 - $199 (%)	22.2	21.7	29.4	24.1
$200 - $299 (%)	46.3	35.7	26.5	35.4
$300 or more (%)	24.1	24.3	17.6	22.4
Average proportion of income derived from AFDC/TANF in quarter prior to termination (%)	52.1	37.9	18.2	35.3
Less than 10%	0.0	7.8	30.9	12.8
10 % - 29 %	5.8	22.6	47.1	26.0
30 % - 49 %	48.1	50.4	19.1	40.9
50 % - 69 %	36.5	13.9	2.9	15.7
70 % - 100 %	9.6	5.2	0.0	4.7
Sample size (total =237)	54	115	68	237

SOURCE: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTE: Total income is calculated based on records of Unemployment Insurance, Food Stamps, and AFDC/TANF.

fare receipt. Further, welfare cash assistance in the last quarter prior to termination amounted to about 52 percent of total income. By contrast, for the group that worked all four quarters before reaching the time limit, only 18 percent of income in the last quarter prior to exit was from welfare. The group that worked between one and three quarters before the time limit received almost the same amount of welfare ($223) as the group that did not work at all, but welfare constituted a smaller percentage of their total income (38 percent) in the quarter prior to exit.

The distribution of the last month's welfare benefits and the proportion of income from welfare in the quarter prior to termination shows a small group of families to have been extremely dependent on welfare benefits at the time limit. Twenty-two percent of the respondents' welfare grants exceeded $300 in the last month on welfare. For about 5 percent of the families, welfare benefits constituted between 70 and 100 percent of their total income; the majority of these families had not worked in the four quarters prior to losing welfare benefits.

III. After the Time Limit

The information presented in Section II of this chapter about personal and economic circumstances of individuals reaching the time limit raises questions about how families coped with the loss of welfare benefits, whether they were able to replace welfare cash with earnings or other sources of income, and whether they experienced greater hardship after their benefits expired. For those with limited (or no) employment histories, the questions are whether they were more likely to work after reaching the time limit and whether their post-time-limit experiences set them apart from those with a more consistent work history.

This section draws on two data sources to describe post-time-limit experiences. First, using administrative records data for FTP participants who reached the time limit by June 1999, this section describes employment, earnings, and income trends in the year following termination of welfare benefits. Second, this section draws on MDRC's special post-time-limit study to provide a snapshot of people's coping strategies and experiences in the 18-month period after benefits ended. As noted in previous sections, the post-time-limit analysis is purely descriptive; no conclusions about the impacts of FTP should be inferred from the findings presented here.

A. Post-Time-Limit Earnings, Income, and Public Assistance Trends

Table 7.3 presents information on eight quarters of employment, earnings, public assistance, and income for 205 of the 237 FTP participants who reached the time limit by June 1999 and for whom at least four quarters of post-time-limit data are available. The first panel of the table reports on the four quarters before the quarter of termination, and the second panel of Table 7.3 reports on the four quarters following the quarter that welfare benefits ended.

1. Employment and earnings. As shown in Table 7.3, 57 percent of FTP participants whose benefits ended were working in UI-covered jobs in the quarter before benefits ended. A year after benefits ended, the employment rate for this group was 58 percent. Although employment rates appear relatively constant at these two points in time (the end of the time limit and 12 months later), employment in the first quarter after benefits ended increased by 8 percentage points (64 percent compared with 57 percent); however, this increase was not sustained over time.

Table 7.3

Florida's Family Transition Program

Employment, Earnings, Public Assistance, and Income, for Families Who Reached the Time Limit

Quarter of Follow-Up	Employment (%)	Earnings ($)	Food Stamp Receipt (%)	Food Stamp Benefits ($)	AFDC/TANF Receipt (%)	AFDC/TANF Benefit ($)	Total Income[a] ($)
Pre-termination quarter							
4	54.6	565	90.7	765	95.6	718	2,047
3	51.7	659	90.7	738	95.1	677	2,074
2	54.1	700	91.7	739	91.2	633	2,073
1	56.6	696	90.7	737	96.1	621	2,054
Post-termination quarter							
1	64.4	1019	84.4	717	6.8	30	1,766
2	55.6	1149	77.1	640	5.9	39	1,828
3	56.1	1071	73.2	609	4.4	29	1,709
4	58.0	1150	68.8	596	3.3	20	1,767
Sample size (total= 205)[b]							

SOURCE: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: [a]Total income is calculated based on records of Unemployment Insurance, Food Stamps, and AFDC/TANF.

[b]Four quarters of post-exit follow-up data were available for 205 of the 237 FTP participants whose benefits ended at the time limit.

Further analysis of employment suggests that pre-time-limit employment is positively associated with post-time-limit work. Seventy-four percent of those who worked steadily in the four quarters before the time limit also worked in the four quarters after reaching the time limit. Fifty percent of those who did not work in the four quarters before the time limit did not work in the four quarters after the time limit. Among those in the no-work group who worked in the four quarters after the time limit, 35 percent worked one to three quarters, and 15 percent worked all four quarters. One-third of those who worked from one to three quarters in the year prior to reaching the time limit worked four quarters after the time limit; 21 percent did not work in the year after the time limit. (See Appendix Table F.2 for more detail.)

Average earnings steadily increased in the three quarters before the time limit and increased by almost 46 percent by the first quarter of post-time-limit follow-up; by the end of the fourth quarter of post-time-limit follow-up, earnings were 65 percent higher than earnings at the end of the time limit. Although employment rates remained relatively constant in the one year of post-termination follow-up (with the exception of the first quarter after exit), for more than half the group who had their welfare benefits terminated, work persisted at least through the first year after benefits ended. The gain in earnings is probably due to people working more hours or working in higher-wage jobs. These averages are calculated for everyone in the group, including those with no UI-reported earnings.

2. Public assistance. Table 7.3 shows AFDC/TANF and Food Stamp receipt and benefits for the eight quarters discussed in this section. Ninety-six percent of those who reached the time limit received AFDC/TANF during the quarter before termination. About 7 percent received AFDC/TANF benefits in the first quarter after termination; and, by the fourth quarter of follow-up, about 3 percent received welfare (this probably includes some children who continued to receive welfare benefits through a protective payee).

Ninety-one percent received Food Stamp benefits in the quarter before benefits ended, and Food Stamp participation dropped by about 24 percent by the fourth quarter after the time limit. As discussed in other parts of this report, Food Stamp participation declines have been linked to welfare exits, and other studies tracking people reaching time limits have noticed steady drops in Food Stamp participation after termination of welfare benefits.[7]

3. Income. A direct and immediate consequence of FTP's time limit was that families lost a significant amount of income when their welfare benefits ended. As described earlier in this chapter, AFDC/TANF benefits in the quarter prior to termination of benefits amounted to approximately 35 percent of measured income; for the group most dependent on welfare (including those who did not work

[7]Virginia's evaluation of VIEW (the state's welfare reform initiative, which includes a time limit for able-bodied TANF parents with no children under the age of 18 months) found that 76 percent of the families who reached the time limit received Food Stamps six months after their welfare benefits ended; more than half the families who did not receive welfare benefits after the time limit believed they were ineligible, although their incomes were low enough that some may have been eligible for Food Stamps (Gordon et al., 1999). Connecticut's Evaluation of the Jobs First Program (one of the first statewide welfare reform initiatives to place a time limit on welfare receipt) showed an immediate drop in the rate of Food Stamp participation, from 90 percent in the quarter of termination to 63 percent in the quarter after benefits ended (Bloom et al., 1999).

any of the four quarters before the time limit), AFDC/TANF benefits accounted for 52 percent of total measured income. Post-exit follow-up data appear to indicate that income — as measured by administrative records — declined in the four quarters after the quarter of benefit termination.

Average income — as derived from UI-reported earnings, Food Stamps, and AFDC/TANF — one quarter before welfare ended was $2,054, and, one year later, average income was $1,767, a difference of $287. Although earnings increased after termination of benefits, this increase did not totally replace the loss of welfare benefits and the reduction in Food Stamp payments. Nevertheless, it is important to note that the pre-exit income figures reported in Table 7.3 would have made many of these individuals ineligible for cash assistance under normal AFDC rules. FTP's enhanced earned income disregard allowed them to remain eligible for assistance prior to reaching the time limit.[8]

B. Work, Coping Strategies, and Hardships: Findings from the Post-Time-Limit Study

As noted in Chapter 1, MDRC conducted a small-scale study (referred to as the post-time-limit study) of individuals who reached the time limit between November 1996 and February 1998.[9] The study called for them to be interviewed around the time their benefits expired and 6, 12, and 18 months thereafter. The study was designed to acquire information about how families fare after welfare benefits are stopped. Since FTP's time limits were intended to change recipients' behavior and encourage them to move toward self-sufficiency, this section draws on in-depth interviews to describe sample members' experiences 18 months after reaching the time limit. As discussed in other sections of this report, the findings presented here should be interpreted with caution because the sample is small (43 families) and because there is no way to tell how these families would have fared if they had continued to receive welfare; in addition, 18 months is a limited period of time for gauging the consequences of losing welfare benefits.

To describe the sample briefly, 24 women had been subject to a 24-month time limit, and the other 19 had been subject to a 36-month limit. At the time of the 18-month post-time-limit interview, the typical respondent was living alone with her two children. More than half the respondents had never been married. Fourteen were living in public or subsidized housing; 28 were living in private, unsubsidized housing; and one was living in a temporary shelter.

1. Work. As shown in the top panel of Figure 7.1, 17 of the 43 post-time-limit respondents were working at the end of the time limit, and 24 were working 18 months later. The bottom panel shows how many worked continuously, cycled in and out of work, or did not work

[8]The income measure used in this analysis is based purely on Florida's administrative records data and does not capture income for those who moved out of state or income from sources such as child support and other informal financial assistance from friends and families.

[9]Eighty-nine FTP participants who reached the time limit between November 1996 and February 1998 were eligible for the post-time-limit study. Seventy participants agreed to be interviewed when their benefits expired; 43 of the 54 18-month interviews that were processed (coded and cleaned) in time for this report are used for this analysis. Appendix F provides a fuller description of the study.

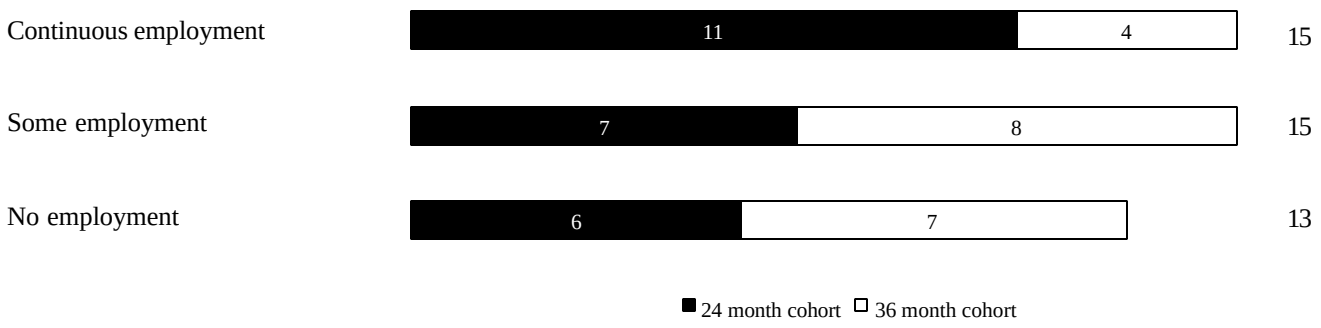
Figure 7.1

Florida's Family Transition Program

Employment Status at End of Time Limit and Eighteen Months Following

Number of People Working at the End of Time Limit and 18 Months Later

Continuity of Employment During the 18 Months Following Time Limit



SOURCE: MDRC calculations from the post-time-limit study's end-of-time-limit interviews and the 18-month follow-up interviews.

at all in the 18 months following benefit termination.[10] Sample members who were assigned a 24-month time limit (the relatively less disadvantaged group) were more likely to have worked continuously. Most sample members who worked continuously in the four quarters prior to the time limit continued to work steadily after reaching the time limit, and the majority of those who did not work before reaching the time limit did not work in the follow-up period as well; however, a small number respondents who had not worked in the year before the time limit worked steadily after their welfare benefits ended.

a. The continuous-work group. Fifteen women persevered in work through the year-and-a-half after their benefits were canceled. Some kept working at the same job, others found better opportunities, and some settled for less stressful jobs; but all 15 kept working. They said that jobs were difficult to find, that wages were low and slow to increase, and that coworkers and supervisors were sometimes difficult to work with. Varying schedules complicated child care and transportation arrangements, and getting enough hours in workable shifts proved challenging.

At the end of time limit, 13 of the 15 women in this group were employed, and all but one worked full time (30 or more hours per week). Eighteen months later, all 15 were working. Table 7.4 provides some descriptive information for sample members in this group.

Both older and more likely to live alone with their children than members of the other two groups, those who worked continuously seemed both more dependent on their own earnings and more determined to earn, whether or not their earnings ensured their financial security. Although they were all working, the 15 women experienced very different levels of economic security and well-being. A few were finally recovering from the personal and financial crises that had brought them into the welfare system, but most were working as many hours as they could just to break even at the end of the month.

b. The some-work group. Another 15 women were employed for some but not all of the 18 months after their benefits were terminated. Four of the 15 respondents in this group were employed at the end of time limit, but 9 were working 18 months later.[11] They worked as custodians, cashiers, housekeepers, telemarketers, and aides in schools or beauty salons, and in discount stores, laundromats, hotels, and fast-food restaurants.

An average age of 24 when they entered the program, members of this group were the youngest (see Table 7.4). For three of these women, income from earnings was a supplement to

[10]To capture post-time-limit continuity of work as accurately as possible, the analysis draws on six quarters of unemployment insurance (UI) data and survey responses from three different points in time — the end of the time limit and the 6- and 18-month post-time-limit follow-up surveys. Those in the continuous-work group were found to have worked for all, or all but one, of the available UI quarters and were currently working when interviewed in at least two of the three follow-up surveys. The no-work group were found to be not working for all available UI quarters and responded that they were not currently working on each of the available follow-up surveys. The rest were assigned to the some-work group. Respondents in this category were found to be working for at least half of the available UI quarters. Although UI data are missing for one respondent in this category, survey and interview data confirm that she was working for some but not all of the follow-up period.

[11]Only two women in the some-work group were employed both at end of time limit and 18 months later. One woman's hourly wage increased from $5.00 to $7.75, while the other's decreased from $5.25 to $5.15. Both increased their hours — the first, from 30 to 40 hours per week; the second, from 25 to 40 hours per week.

Table 7.4

Florida's Family Transition Program

Demographic and Employment Characteristics, by Post-Time-Limit Work Status

Characteristic	Continuously Working	Some Work	No Work
Age at random assignment	31	24	26
Ethnicity (%)			
Black	78.6	60.0	66.7
White	21.4	33.3	33.3
Hispanic	0.0	6.7	0.0
Marital status (%)			
Single	53.3	60.0	53.9
Married	26.7	0.0	15.4
Separated or divorced	20.0	40.0	30.8
Number of children living in household	2.7	2.3	2.2
Housing assistance at 18-month interview(%)			
Received housing assistance	33.3	33.3	30.8
Household composition at 18-month interview(%)			
Lives with children only	73.3	57.1	33.3
Lives with children and partner or spouse	20.0	0.0	33.3
Lives with children and other adults[a]	6.7	42.9	33.3
Employment characteristics at time limit			
Employed (%)	86.7	26.7	0.0
Hours (#)	34.6	29.3	0.0
Hourly wage ($)	6.03	5.02	0.00
Employment characteristics 18 months after time limit			
Employed (%)	100.0	60.0	0.0
Hours (#)	35.4	33.8	0.0
Hourly wage ($)	6.41	5.60	0.00
Sample size (total = 43)	15	15	13

SOURCE: MDRC calculations from the18-month post-time-limit interview.

NOTE: [a]All other living arrangements, for example, living with partner, parent, grandparent, in-laws, etc.

income from family and other sources, which might explain the inconsistency of their employment. Five evidenced more serious commitments, overcoming transportation and child care barriers that had interfered with their prior jobs. Recovering from recent personal tragedies and coping with severe strains, others were unable to work steadily.

c. The no-work group. The remaining 13 women did not work in the 18 months after reaching the time limit. Without public assistance or earnings, most of the women in this group were substantially dependent on relatives. Some desperately wanted to work. Some did not. Others were more ambivalent: Discouraged about available opportunities, they doubted whether and when they would be able to overcome the personal and situational limitations that made work untenable. Those who offered circumstantial explanations for their unemployment seemed more likely to work again sooner than those who offered psychological explanations. A later section in this chapter explores the income-generating strategies of women who did not work in the year-and-a-half of follow-up.

2. Without welfare: strategies to make ends meet. Previous sections described sample members' employment and income in the 18 months of post-time-limit follow-up. This section takes a closer look at how sample members coped with the loss of welfare cash assistance and provides a general description of the strategies used to make ends meet. For families who were not very dependent on welfare and had other steady sources of income support when benefits ended, replacing welfare cash might not constitute a big hurdle; but for families who were largely dependent on welfare cash benefits, losing welfare cash assistance made them even more vulnerable to economic strain and material hardships.

This section begins with a analysis of coping strategies used by the group that did not work at all in the 18 months after benefits expired. It is followed by a discussion of the struggles and challenges faced by the group that worked continuously, and it describes the strategies this group used to supplement earnings, their primary source of income. The income-generating strategies of the group that worked on and off is described next. The section ends with a comparison of strategies used by the three groups.

a. The no-work group. Of the 13 women who did not work, some adapted to the necessary lifestyle changes by making choices about whom they lived with and how they lived; others increased their dependency on family and friends and used them as the crutch to cope with welfare loss; and for others, adjustments to Food Stamp benefits and public housing rent due to loss of income made the disappearance of welfare cash less noticeable.

i. How family and friends help. Eight of the 13 women in the no-work group were living with a parent, spouse, or boyfriend at the time of the 18-month post-time-limit follow-up. Almost all had been living with family members or friends even before reaching the time limit, and this reliance on family and friends kept home life relatively stable. Four of the eight had always lived with their mother. The following examples are illustrative:

> Eighteen years old at the time of random assignment, Virginia[12] has always lived with her mother, and has been able to keep her home life stable through the many sanctions that she experienced under FTP and through this current period of termination from welfare. Virginia's mother pays all of the bills and the mortgage on the house, and pays insurance for all four of the subject's children. She also provides Virginia with spending money a couple times a week, and does not rely on her daughter for financial contributions. However, Virginia's own contribution to the household is hefty: she continues to receive about $500 in Food Stamp benefits.
>
> Rochanda, a mother of two young children, was 24 years old when she entered FTP. Rochanda has always lived with her mother. Unlike Virginia's mother, however, Rochanda's mother's own life is highly dependent on her disability check, which she uses to cover rent and other essentials. Rochanda also draws on a wider network of cousins for in-kind assistance (such as clothes and other supplies) for her two children. She describes herself as managing without cash assistance by "bummin' off of these cousins." In light of her mother's history of relations with social support systems, Rochanda is also thinking of applying for disability because of the problems she has with her feet and legs (she complained of cramping in the morning and when she stands for too long). She continues to receive $329 in Food Stamp benefits and was also getting $100 a month in child support.

The contrast between Virginia's and Rochanda's coping strategies is that although both continued to rely on family, the economic circumstances of their primary caregivers were very different. In both cases, however, living arrangements appeared stable, and assistance from maternal relatives kept these women from experiencing grave hardships. In another case, however, the family was starting to feel the strain of caring for the respondent and her family, and she was given a month to find another place to live. She faced a precarious situation:

> A mother of three, Rachael has multiple health problems and has been unable to find work that she can do. She has shortness of breath and seems unable to stay awake or concentrate very long because of the medication she is on. This respondent's life seems peppered with crises, and losing welfare cash is just one event in a series of ongoing personal crises. Rachael recently lost Food Stamp benefits because she failed to show up for an appointment. Periodically, she receives some money (about $200) from her father, who recently reemerged in her life.
>
> Rachael copes with her loss of cash assistance by living with her mother. Her mother and grandmother explained that Rachael's husband never provided for the three children, even though he made good money. Rachael is now on the brink of losing her very last safety net, family support. She is uncertain about how long she can depend on family, since her mother wants her to move out in a month because she cannot continue supporting Rachael and her children. Since Rachael has lost Food Stamp benefits and is

[12]The names in these vignettes are not the actual names of these women.

not contributing much to her upkeep, the additional strain on her mother's already stretched resources threatens her long-term coping strategy.

Partners and boyfriends also played a critical role in helping women deal with the loss of welfare cash. In two of the five cases where women were relying on boyfriends, the families of these partners were closely involved in providing for the needs of the women and their children.

> Anita, 20 years old when she entered FTP, seems to cope by relying on her boyfriend's parents, who lend her money as and when needed, provide food when the family runs out of it, rent them the one-bedroom apartment they live in now and have lived in when in danger of being evicted, and wait when the couple is unable to pay rent. Anita sees this as a very dependable strategy: she maintains that paying rent is her lowest expense priority and that she can talk her "father-in-law" into lending them money even when her boyfriend cannot. She continues to receive $144 in Food Stamp benefits, and her boyfriend earns about $900 a month.

> Donna, 19 when she entered the program, lives with her boyfriend of a year in a trailer he rents from his parents. Her boyfriend pays for everything they need; in fact, she decided to let the Food Stamps go (she was receiving $279 per month) at a recent recertification. Her boyfriend's job takes him away for weeks at a time, but he leaves her with enough money to take care of all financial obligations.

In both illustrations, the women appeared to be in quite stable living arrangements, and through their boyfriends or their boyfriends' families, they had found economic stability. Although the effects of welfare loss appeared less noticeable for these women, the stability of their circumstances was largely tied to their relationships with the men in their lives.

ii. Government assistance. Four respondents in the no-work group were living in public housing when they were interviewed 18 months later. For two of the four women, Food Stamp and SSI benefits appeared to be critical income sources. For one woman, adjustments to Food Stamp allotments and rent as a result of increases or decreases in income appeared to make the effects of welfare loss less noticeable. Another woman lived with her husband, who earned approximately $800.

iii. Other income-generating strategies. Few women in the no-work group appeared to be resorting to extreme measures to generate income or make ends meet. The two women who did were living alone with their children and did not seem to receive much assistance from family. One woman alluded to trading sex for money and openly admitted to selling Food Stamps on a regular basis. Another described her heavy reliance on food banks and charities to make ends meet. The example below describes the strategies used by one woman.

> Visibly depressed during the interview, Clair describes herself as "going through hell" after her welfare benefits ended. Losing welfare affected not only her will to live, but also affected what she needed to do to survive. In response to a question about how she was managing, Clair insisted that there were ways for people to survive. She continued by saying, "I have men friends, and I can call them up, and they help me out." Clair also accompanies her sister to the grocery store and pays for her sister's groceries with

Food Stamps up to the amount of money she needs in rent for that month. Clair's children are teenagers, and they seem to be able to fend for themselves by drawing on friends and relatives, leaving Clair very much on her own in her struggles. She receives $350 in Food Stamp benefits.

b. The continuous-work group. In some important respects, the lives of the 15 women who worked continuously after reaching the time limit paralleled those of the no-work women. First, the continuously employed mothers did not make ends meet by depending solely on their earnings; they also used layers of coping strategies to get by. Earnings contributed approximately 68 percent of their average monthly income, and most of the other income came from Food Stamps, SSI, and child support. Income from other family members helped, but on a much smaller scale. Second, work did not relieve these women of the financial strains experienced among those without work. As will be described later, several of the working mothers lacked medical coverage, and they experienced more medical and other hardships than the women who had not worked since welfare ended.

Though working mothers took great pride in their ability to stay employed, they quickly recognized that work increased financial pressures by raising the costs of housing, child care, transportation, and clothing. For two mothers, income from earnings was their only source of cash income, and their stories about coping resonate with anxieties about not having a safety net in the event of a crisis.

Even with her relatively high salary ($1,568 a month), Cathy — a mother of three children between 10 and 19 years old — struggles to make ends meet. She is very dependent on the money from her tax return to fill the gap in her financial situation. Because of higher earnings, she does not qualify for Food Stamp benefits. Her ex-husband has completely disappeared, so she receives no child support, and she gets no regular help from family or friends. She lives in a house on which she holds the mortgage. While Cathy feels good to be supporting herself and taking care of her family, she is also nervous about just how precarious her situation is, and she worries about whether she has the emotional stamina to continue to carry all the weight on her shoulders.

A number of women in the continuous-work group were able to work because they had access to one or more circumstance that made work possible. These mothers reported receiving child care assistance or transportation assistance (either in the form of vouchers or more informal assistance from family or friends); some were relying on personal networks for free or inexpensive child care. These supports for work were even more critical for women who worked irregular hours.

Roza, 19 years old when she entered FTP, is another example of a mother who is proud that she is able to support her two children without depending on public assistance. Her transition off welfare, however, is aided by her ability to work a night shift, which she is able to do by taking advantage of nighttime child care provided by her maternal grandmother. With her rent subsidized, free child care, and — until about two weeks ago — financial help from a boyfriend, Roza has a multi-layered survival strategy, including the support of personal networks and organizations. She continues to receive $147 in Food Stamp benefits.

Coping strategies of women who worked less than full time (less than 30 hours a week) closely resembled the strategies used by the women in the no-work group. In addition to relying on their earnings from part-time work and Food Stamp benefits, they coped primarily by adapting their lifestyles to fit a budget without welfare.

c. The some-work group. The 15 women in this group were the youngest of the three groups. Five were living in the homes that belonged to relatives or partners. As for the groups discussed above, maternal family and relatives of boyfriends and former partners were critical to the well-being of these families.

> On the day of her appointment to meet with the MDRC interviewer, Judith's electricity had been shut off and there was a note on her fence telling her what she needed to do to get it back on.
>
> Judith lives in a house — which is in obvious disrepair — that belongs to her mother's side of the family and only pays $100 a month to her mother for rent. She receives a lot of help from many directions, so that work appears to be a less significant aspect of her coping strategy: Maternal and paternal grandparents regularly care for her three children free of charge. When she runs out of money her mother and father bail her out. At the time of this interview, Judith was earning $885, and received $419 in Food Stamps, $60 in child support, and another $260 from her family.

Work life for most of these 15 women appears to have been short term and transitory, and work did not emerge as a significant coping strategy. Eight had worked in the month prior to the 18-month post-time-limit interview, and their earnings for that month ranged between $200 and $1,000; four earned $500 or less.

What appears distinctive about the group's coping strategies is that they were more likely to report receiving child support and in-kind assistance from the fathers of their children.[13] Ten women reported receiving child support. The payments ranged from $50 to $237; four received a little more than $200 in child support, another four received more than $100, and two received less than $100.

> Mona, a mother of two girls, is coping primarily by depending on the assistance she receives from her ex-boyfriend, the father of one of her two children. She lives in the house that he is purchasing while he lives out of state with his family. He pays the mortgage on the house and all the bills that go along with the house, and he also pays for all of the things that their daughter needs. In addition, he also gives Mona $200 per month

[13]Eighteen of the 43 families in the post-time-limit study reported receiving some child support at the 18-month point. Over half belonged to the some-work group. A General Accounting Office study suggests that most TANF families might not be able to count on child support as a steady source of income when time-limited benefits expire. In the first three states to enforce welfare time limits — Florida, Connecticut, and Virginia — from 20 to 40 percent of families had any child support collected for them in the year prior to benefit termination (U.S. General Accounting Office, 1998). Although this study suggests that families who are not collecting child support before reaching the time limit are less likely to receive child support after benefits end, the study does not take into account the informal support that families receive from noncustodial parents.

in child support. Since he has been in her elder daughter's life for several years, he also buys school supplies and clothing for her. Mona's second daughter's father recently started paying child support but stopped after three months. Mona typically takes care of food, household items, the telephone bill, and the cable bill with the cash that she receives from her former boyfriend. She also continues to receive a $200 Food Stamp benefit.

Gina, a mother of three young children, has patched together an income packet that includes Food Stamp benefits, WIC, housing assistance, and child support. Gina has not worked much during the 18 months after she reached the time limit. She lives in public housing, and this appears to have decreased her need for cash The child support ($237) that she receives from the father of her last child is the only source of cash income, according to Gina. Generous Food Stamps ($417) and a $150 WIC benefit for her last two children provide her and her family with more than enough food in a given month. In addition, with a lot of in-kind assistance from the fathers of her children, Gina manages to make ends meet without welfare. Gina is somewhat interested in working for additional cash, but she seems restrained by the lack of her own automobile.

d. Differences in coping strategies. The coping strategies of families who reached the time limit appear to have been quite dynamic, varying with individuals' financial circumstances and whom they relied on. Some continued with strategies they had long used to make ends meet; others resorted to shorter-term, crisis-oriented solutions.

For those receiving help from family, women's own mothers were the most prominent among those offering support. Siblings and other maternal relatives also contributed. Often, by paying for groceries, providing housing, helping with child care and household chores, and offering rides to or from work, they helped eased the transition off welfare for these respondents. In some cases, assistance from family and relatives entailed obligations; in other cases, it is not clear whether respondents were providing something in exchange for what they were receiving.

Boyfriends and former partners also played a critical role in helping respondents deal with the loss of welfare cash. Almost 70 percent of the women reported receiving financial and other assistance from men during the 18 months of post-time-limit follow-up. These contributions were somewhat more pronounced for women who did not work or who worked on and off. A man's contributions varied depending on the mother's need, his ability to provide financial support, and the relationship he maintained with the respondent and her family. Women being supported by boyfriends appeared to have replaced welfare benefits and seemed more or less economically secure. This appearance, however, should not mask the precariousness of their situations: Economic security for these women was closely tied to the stability of their relationships with these men.

Most women interviewed had younger children who had not yet started to contribute to the family budget. For at least two families, SSI benefits were the only source of cash income. For a number of households, other forms of agency-based assistance — such as housing and Food Stamp benefits — appeared to have been critical. These families appeared to be "holding it together" on the basis of a stable, but very delicate, balance of subsidized public housing, Food Stamp benefits, and some assis-

tance from family and friends. This semblance of stability existed because key supports such as housing and Food Stamp benefits were in place.

For more than half the nonworking women in the sample, post-welfare survival strategies remained as they have always been — relying on family of origin, spouses, and partners. These women never abandoned that strategy: They did not become economically self-sufficient, move out on their own, or rely on public or subsidized housing. They saw themselves as needing the support of family to get by, and they did not view their dependency on family as causing additional strain. However, the long-term viability of these living arrangements depended in part on the resources available to "caregiver" families, and on the families' ability to continue to provide for their adult children and their dependents.

For most of those who worked continuously, their attempts at economic mobility and self-sufficiency resulted in a standard of living (for example, a three-bedroom house instead of a public housing apartment or a 40-hour workweek instead of high Food Stamp allotments) that was more difficult to maintain than the lower standard of living they had experienced when they were on welfare. Working women often reported less support than their nonworking counterparts: They were more likely to receive lower and less consistent child support payments or to have fewer family members with employment connections or enough cash to allow them to lend money to these women or to give gifts to them or their children.[14] They did, however, rely on their personal networks for free or inexpensive child care.

3. Material hardship. During the 18-month post-time-limit interview, respondents were asked a series of questions about three basic material needs: health insurance coverage, housing, and food sufficiency. Inadequate medical insurance coverage was the most common type of material hardship reported by sample members. More severe forms of material deprivation were rare, primarily because of broader government assistance through public housing and Food Stamps. Nevertheless, two respondents had experienced an episode of homelessness over the follow-up period, and five respondents reported that they had skipped meals because they could not afford them or had relied on charities for meals in the prior month.

a. Medical coverage. Respondents could turn to several sources of assistance for housing and food, but their sources for medical insurance were limited to Medicaid and employers. From the time they lost their welfare benefits, 24 respondents had gone without medical insurance for themselves, and 17 lacked coverage for their children. In the prior six months, 14 had put off medical care that they could not afford. Even among the continuously employed, obtaining medical coverage was difficult. The number of respondents who went without coverage does not appear to have varied by work status. Medical coverage was sometimes available for some family members but not for others. In some cases, one or more of the children were covered either by Medicaid or by the contributions of another relative; in others, the respondent could afford coverage for herself only. Some respondents

[14]It is beyond the scope of this study to untangle the relationship between family dependency and work. For example, it is unclear whether working mothers in the sample worked because they had fewer family supports or, conversely, whether they needed less support because they worked.

experienced lapses in coverage. Dental care and eyeglasses were two of the most common unmet medical needs.

b. Food sufficiency. As mentioned in the section on income, Food Stamps were a significant source of monthly income for respondents in each of the three work groups, accounting for 14.5 percent of the measured income for the continuously employed, 24.8 percent for those who did not work, and 40.8 percent for those who were employed inconsistently over the follow-up period. Thirty of the 43 respondents reported monthly Food Stamp grants ranging from $117 to $583 in the month before the 18-month interview. Responses suggest that Food Stamps covered 85 percent of monthly household food expenditures, on average, and Food Stamps were repeatedly acknowledged to be an essential household resource. Some respondents reported that their Food Stamps provided for more than enough food, and nonworking respondents sometimes contributed excess Food Stamps to relatives or household members in exchange for housing or cash. Others, however, had to supplement their food expenditures with income from other sources. In fact, 11 respondents mentioned that they had skipped payments or bills to cover essential food expenses in the month prior to the interview. Some respondents reported difficulties qualifying for or obtaining Food Stamps. Others reported skipping meals or receiving charity meals in the previous month.

> Without any earnings or public assistance, Nikita explains that she has no money to buy food and that the food pantry has told her that she may not return for six months, since she has exhausted her benefits. She refuses to complete the community service that would make her eligible for Food Stamps. Instead, she asks her mother for money or visits soup kitchens, pantries, and other charities.
>
> Jacqueline works more than 60 hours a week at a grocery store, which makes it difficult for her to make the necessary appointments to renew her Food Stamp eligibility. She is allowed to purchase food on credit at the store where she works, and, in this way, is able to take care of her and her family's food needs.

c. Housing. Like Food Stamps, public housing played a central role in preventing severe instances of hardship. Fourteen of the 43 respondents received some form of housing subsidy, and 18 lived with relatives. Several respondents hoped to move out of public housing projects to subsidized private housing, but the transition was more difficult than expected.

> Melisa's job has earned her several raises and a promotion to a management position. She paid off a student loan, moved into a private apartment, and bought a new car. But her expenditures have outpaced her progress, and between the car payments and increases in her utilities associated with her new residence, Melisa is overextended, and plans to borrow from friends and relatives to meet her expenses.
>
> Amy would have preferred to stay in public housing, but in order to live with her husband, who receives $490 a month in disability, she had to move to a private apartment, where the utilities and rent are more than 10 times as expensive as in public housing, and she works in a low-paying job just to break even every month.

Unlike medical insurance, which can be obtained only through connections to formal institutions, emergency housing assistance can sometimes be obtained through informal ties. However, housing assistance is often a precarious and burdensome exchange for all parties involved, and "doubling up" with relatives is often a solution of last resort. Families sometimes split up when housing is just too crowded or relationships between adults in the household just become too complicated. Despite the enduring housing problems and crises experienced by many of the sample members, episodes of homelessness were rare.

Although the discussion about people's circumstances after the time limit has been based on the post-time-limit study, the four-year survey is also a source of insights about the levels of material hardships experienced by families who reached the time limit. Comparing respondents who had reached the time limit and were working at the time of the survey with those who were not reveals that working respondents experienced somewhat higher levels of unmet health, housing, and nutritional needs (see Table 7.5).[15] Those who were working were more likely to be paying higher rent and to have experienced higher levels of housing hardships (such as not making full rent or mortgage payments in the past 12 months or having utilities turned off). Food insecurity and hunger were much higher for working families.

In summary, this section describes the circumstances and experiences of a small number of families whose welfare benefits expired at the time limit. The analyses show that people's experiences after the time limit varied, driven largely by the strategies put in place to deal with the loss of welfare. Regardless of their strategies, the women appear to have struggled to make ends meet. Families who relied primarily on public housing and Food Stamp benefits seem to have been most protected and secure in their coping strategy, compared with the working women who relied on low-wage jobs or those depending on their personal networks.

IV. How Did the Experiences of Families Who Reached the Time Limit Differ from Those of Other Welfare Leavers?

The qualitative research presented in Section II of this chapter provides a very textured account of FTP families' economic circumstances and coping strategies after the time limit. However, because of the small sample size, the analyses cannot be used to draw broad generalizations about the well-being of families who reached FTP's time limit. Further, by focusing exclusively on FTP families who reached the time limit it is unclear what to make of the outcomes observed for this group. For example, it is unclear whether the material hardships or food insecurity levels experienced by those who reached the time limit are high or low.[16]

To shed light on how families who reached the time limit and had their benefits canceled compared with other former welfare recipients, FTP's four-year survey data were used. Three groups of leavers were examined: (1) FTP families whose benefits were terminated at the time limit ("terminated leavers"), (2) FTP families who left before reaching the time limit ("FTP leav-

[15]Of the 136 four-year survey respondents who had reached the time limit, 63 were not working in the month prior to the survey interview; 73 were working at that point. Families who had reached the time limit had been off welfare for an average of 17 months. Average household income for those not working was $788, and the household income for those working was $1,424. Consistent with the findings from the ethnographic research, nonworking families' income was largely made up of Food Stamp benefits (43 percent), SSI (13 percent), and child support (13 percent).

[16]This "compared to what?" issue is inherent in most studies that have attempted to look at post-welfare experiences of leavers, and it is a more fundamental problem in the context of time-limit studies because time limits may have effects on leaving rates even before the time limit is reached (Moffitt and Pavetti, 1999).

Table 7.5

Florida's Family Transition Program

Comparison of Outcomes: Respondents Who Reached the Time Limit, by Work Status

Outcome (%)	FTP Termination, Not Working	FTP Termination, Working
Health-related hardships		
Respondents covered by any type of health insurance in prior month	79.4	71.2
Could not afford necessary doctor's visit in past twelve months	17.5	24.8
Could not afford necessary dentist's visit in past twelve months	25.9	36.9
Housing-related harsdhips		
Average monthly expenditures on housing and utilities in prior month ($)	288	415
Did not make full rent or mortgage payment in past twelve months	29.1	41.1
Evicted in past twelve months	7.9	8.2
Did not pay full utility bill in past twelve months	31.7	37.0
Utilities turned off in past twelve months	12.7	19.2
Use of social services (past twelve months)		
Used utility assistance program	28.9	22.0
Used prescription drug program	4.9	1.3
Used second-hand clothing	17.5	28.8
Food security (past twelve months)		
Food insecure with hunger	9.5	21.9
Used food bank program	17.6	23.4
Used soup kitchen	4.8	5.5
Sample size (total=136)	63	73

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between 48 and 61 months after random assignment.
Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

ers"), and (3) AFDC families who stopped receiving welfare ("AFDC leavers"). The three groups were constructed based on a question in the four-year survey that asks respondents about welfare receipt in the month prior to the survey interview. Outcome levels for the FTP and AFDC leavers are used as markers to compare outcomes for those who reached the time limit; the majority of sample members in all three groups had been off welfare for at least a year at the point of the four-year survey interview.[17]

Consistent with the information presented in Table 7.1, the top panel of Table 7.6 shows that terminated leavers were more likely to have never married, to have larger households, and to be living with their children only than were the AFDC and FTP leavers.

The second panel in Table 7.6 shows that FTP-terminated leavers tended to have lower income and earnings than the two other groups: FTP-terminated leavers reported approximately 80 percent of the total income reported by the AFDC leavers. It is important to keep in mind that terminated leavers were less likely to be living with other income-generating adults, and, thus, overall household income is expected to be lower for terminated leavers.

The composition of total household income varied as well. Earnings constituted the primary income source for FTP and AFDC leavers, whereas terminated leavers were more dependent on income sources such as Food Stamp benefits, child support payments, SSI benefits, and financial assistance from others. This finding is consistent with the discussion in Section II about income-generating strategies of families who reached the time limit. Only 54 percent of the respondents who reached the time limit were working, and earnings made up 46 percent of their total household income. Earnings amounted to about 70 percent of total household income for FTP and AFDC leavers.

One question that is often asked about leavers is whether they experience high levels of material hardships after leaving welfare. In the context of time limits, there is interest in knowing whether people who reach the time limit experience higher levels of hardship than those who leave welfare before the time limit. While there is considerable evidence in the literature that income is correlated with material hardships, there is limited information about the degree to which experiences of hardships vary among different types of welfare leavers. To the extent that FTP promoted economic self-sufficiency and improved economic well-being, FTP leavers should experience lower levels of hardships compared with FTP-terminated leavers or AFDC leavers. Table 7.7 examines three types of hardships: those related to health, housing, and food.

A. Health

Recipients leaving welfare for work are entitled to one year of transitional Medicaid, provided they are eligible for these benefits. At the time of the four-year survey interview, 75 percent of the FTP participants who had welfare benefits terminated were covered by some form of health insurance; 82 percent of the children in these families were covered by Medicaid or pri-

[17]FTP-terminated families had been off welfare for an average of 17 months; 84 percent of the FTP leavers and 77 of the AFDC leavers did not receive welfare in the year prior to the four-year survey. Eighty-one percent of the AFDC group completing the survey reported that they were off welfare in the month prior to the interview, and 92 percent of the FTP group were not receiving welfare in the month prior to the four-year survey.

Table 7.6

Florida's Family Transition Program

Comparison of Outcomes: Three Groups of Leavers' Household Composition and Income

Outcome	FTP Terminations	FTP Leavers	AFDC Leavers
Household composition and membership			
Average number of people living in household, including respondent	4.4	3.7	3.8
Number of children	2.8	1.9	2.1
Lives alone (%)	2.1	3.9	2.8
Lives with children only (%)	54.3	38.9	40.3
Lives with other adults (%)[a]	43.5	57.2	56.9
Marital status			
Never married (%)	56.6	38.8	36.7
Married, and living with spouse (%)	5.9	20.9	20.5
Income and income sources (past month)			
Households with no income (%)	2.2	6.4	6.2
Average household income ($)	1,129	1,594	1,430
Average respondent income ($)	851	973	886
Employed (%)	53.7	69.4	70.1
Average household earnings ($)	661	1305	1162
Average respondent earnings ($)	432	749	675
Household income from (%):			
Earnings	46.0	70.2	69.2
AFDC	1.4	0.4	0.3
Food Stamps	29.4	10.8	12.7
SSI	8.3	6.8	8.4
Child support	8.1	7.0	5.7
Other	6.9	4.8	3.7
Sample size (total=1,425)	136	657	632

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between 48 and 61 months after random assignment.

[a]All other living arrangements, with or without children and other adults, for example, living with partner, parent, grandparent, in-laws.

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

vate health insurance.[18] Health coverage was much lower among FTP and AFDC leavers. These findings are consistent with a number of national and state studies which have pointed to huge declines of Medicaid receipt coinciding with welfare exits.[19] It is unclear, however, why FTP-terminated leavers were more likely to be covered by Medicaid than the other groups of leavers. One possible explanation is that terminated leavers met with a caseworker before benefits ended, and they were likely to receive guidance about benefits (Medicaid and Food Stamps, among others) available to them. Other leavers, on the other hand, may not have interacted with the welfare agency when they left welfare, and, as a result, they could have been less informed about benefits they were eligible for.

Do lower rates of health coverage reflect higher unmet needs? Sample members were asked if anyone in their family needed to see a doctor or dentist but could not because the family could not afford to do so. Although FTP-terminated families were more likely than other leavers to have health coverage, they were equally likely to report similar levels of unmet medical or dental needs. AFDC leavers were likely to experience slightly higher unmet medical or dental needs in the year prior to the survey.

B. Housing

As shown in the second panel of Table 7.7, 37 percent of the FTP-terminated leavers were living in public or subsidized housing at the time of the survey interview, compared with about 17 to 19 percent of the FTP and AFDC leavers. FTP-terminated families were also more likely to be living in crowded housing (less than one room per person).

Although there were clear differences in household income — with AFDC and FTP leavers' income being almost double the income of FTP-terminated families — there were some similarities in terms of the housing-related hardships experienced by the three groups. In the year prior to the survey interview, 36 percent of the terminated families had not been able to pay full rent or mortgage, compared with 30 percent of the FTP or AFDC leavers; 16 percent had their utilities cut off at least once in the prior 12 months, compared with 14 to 16 percent of the other two groups. All three groups indicated a significant rent burden, with 32 to 35 percent of total household income being spent on rent and utilities (not shown).

C. Food

As shown in the bottom panel of Table 7.7, 16 percent of the FTP-terminated families

[18]It is unclear why all children were not covered by Medicaid. Among FTP-terminated families with some health coverage, 62 percent were covered by Medicaid, and another 13 percent were covered by private health insurance. Both AFDC and FTP leavers were more likely to be covered by private health insurance: 23 percent of the FTP leavers, and 21 percent of the AFDC leavers were covered by Medicaid. As discussed in Chapter 4, some families were ineligible for Medicaid benefits because their earnings were too high for them to qualify. Others who were eligible were not receiving benefits because they were not aware that they continued to be eligible, did not want to apply because the process was too time-consuming, or for other reasons.

[19]Although Medicaid receipt seems low for the three groups of leavers examined here, it is higher than the receipt rates for low-income families that have not been on welfare recently. A study by Loprest (1999) indicates that 12 percent of families with income under 200 percent of poverty report Medicaid coverage. Also see U.S. Department of Health and Human Services, 1999.

Table 7.7

Florida's Family Transition Program

Comparison of Outcomes: Three Groups of Leavers' Material Hardships, Coping Strategies, and Food Security

Outcome	FTP Terminations	FTP Leavers	AFDC Leavers
Health-related hardships (%)			
Respondents covered by any type of health insurance in prior month	75.0	54.3	53.6
All children covered by any type of health insurance in prior month	82.4	59.2	60.4
Could not afford necessary doctor's visit in past twelve months	21.5	23.7	27.3
Could not afford necessary dentist's visit in past twelve months	31.9	32.9	38.1
Housing-related hardships			
Public or subsidized housing (%)	37.5	16.9	18.9
Average monthly expenditures on housing and utilities in prior month($)	355	475	450
Did not make full rent or mortgage payment in past twelve months (%)	35.6	29.5	29.5
Evicted in past twelve months (%)	8.1	5.7	5.6
Did not pay full utility bill in past twelve months (%)	34.6	31.9	36.3
Utilities turned off in past twelve months (%)	16.2	13.6	15.7
Crowding in past twelve months (%)	27.8	10.9	11.9
Use of services (past twelve months)			
Used rental assistance program	17.8	9.8	8.7
Used utility assistance program	25.2	13.0	15.5
Food security (past twelve months)			
Food insecure with hunger	16.2	14.5	17.0
Used food bank program	20.8	13.9	14.9
Used soup kitchen	5.1	2.3	2.1
Sample size (total=1,425)	136	657	632

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between 48 and 61 months after random assignment.
Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

experienced food insecurity with hunger in the year prior to the survey interview.[20] Such extreme food insecurity was experienced by 15 percent of the FTP leavers and 17 percent of the AFDC leavers as well. Levels of extreme food insecurity for all three groups of leavers in this study well exceed the national food insecurity with hunger level of 3.6 percent.[21] Twenty-one percent of the terminated leavers reported using a food bank at least once in the year prior to the survey interview, and 5 percent reported using a soup kitchen in the same period. Compared with terminated leavers, AFDC and FTP leavers were less likely to indicate that they had used food banks or soup kitchens.

Like Medicaid, Food Stamp benefits are available to families when they stop receiving welfare, provided they remain eligible. Seventy-three percent of the FTP-terminated leavers were receiving Food Stamps in the month before the four-year survey, compared with 30 and 34 percent of the FTP and AFDC leavers, respectively (not shown).[22] Among the 27 terminated families not receiving Food Stamp benefits, only 6 percent indicated that they were not eligible for benefits because their income was too high; another 4 percent reported that applying for benefits was a big hassle. In contrast, 33 percent of both the FTP and the AFDC leavers reported that they were not receiving Food Stamp benefits because of high income. Twelve percent of the AFDC leavers and 11 percent of the FTP leavers alluded to the hassle involved in applying for benefits.

In sum, this section started with the question of whether the experiences of families who lost benefits at the time limit were different from those of other types of leavers. Families terminated from welfare at the time limit had rates of employment and household income much lower than those for the other two groups. Differences in income, however, did not necessarily translate into fewer material hardships or economic struggles for AFDC or FTP leavers. All three groups of leavers were equally likely to have experienced housing hardships and food insecurity. What appears different is the way families dealt with economic struggles. Finally, the fact that AFDC and FTP leavers also experienced considerable economic struggles suggests a level of vulnerability for these groups as well.

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[20]Food insecurity had been shown in the literature to be positively correlated with employment and inversely related to welfare receipt. As described in Chapter 4, the six-item food security scale classifies respondents into one of three categories: food secure, food insecure, and food insecure with hunger. Sixty-five percent of the terminated families were food secure, compared with 68 and 65 percent of the FTP and AFDC leavers.

[21]Bickel, Carlson, and Nord, 1999.

[22]Declines in Food Stamp receipt have also been linked to welfare exits. Recent studies have shown that in the first quarter of post-exit follow-up, between 38 and 57 percent of the leavers continued to receive Food Stamp benefits. In the fourth quarter, Food Stamp receipt rates dropped by 5 to 17 percent (U.S. Department of Health and Human Services, 1999). Zedlewski and Brauner (1999) estimate that approximately two-thirds of welfare leavers who stopped receiving Food Stamp benefits had incomes within the Food Stamp eligibility range.

Chapter 8

Costs and Benefits of FTP

Preceding chapters described the implementation of Florida's Family Transition Program (FTP) and its effects on sample members and their families. In sum, FTP offered an unusually rich array of services and supports and produced some positive effects for participants, including higher earnings and income and less reliance on welfare. (Overall, FTP had little impact on the well-being of participants' children.) This chapter presents an analysis of the cost of providing this array of services and producing these positive effects. Then it uses the results of the cost analysis to examine the net financial benefits and costs of FTP from the perspective of four groups: individuals subject to the program (the FTP group), the government, individuals in society not subject to the program, and society as a whole. The benefit-cost analysis includes key financial effects discussed in earlier chapters, such as effects on earnings, cash assistance payments, and Food Stamp payments, and expands the scope to consider effects such as fringe benefits from employment, taxes, Unemployment Insurance (UI) benefits, and Medicaid payments.

The analyses presented in this chapter were designed to answer the following main questions:

- What was the cost of providing FTP services, over and above the cost that would have been incurred in the absence of the program?
- What were the costs of the different components of FTP, including eligibility-related services, enhanced health and social services, employment-related activities, and support services?
- How much of FTP's cost was paid for by the welfare department and how much was picked up by other community agencies?
- From the perspective of welfare recipients in the program, did FTP result in net financial gains or losses?
- From a budgetary standpoint, did FTP result in net costs or savings?

After a summary of findings, the chapter presents details on the analysis of the costs of running FTP. The rest of the chapter discusses the financial benefits of FTP and compares the benefits with the costs, from the four perspectives discussed above.

I. Findings in Brief

The main findings presented in this chapter include the following:

- **FTP, with its rich array of services and supports, was an expensive program: The gross cost of FTP over a five-year follow-up period was about $12,500 per FTP group member.**

The costs presented in this chapter consist of all costs associated with providing employment services and related support services to sample members, as well as eligibility-related costs and the costs of FTP's enhanced health and social services. The gross cost per FTP group member consists of costs paid by the welfare department and non-welfare agencies while sample members were enrolled in FTP as well as costs for employment and support services after they exited the program and left the welfare rolls. The welfare department paid about 79 percent of the gross cost of these services; the remainder was paid by schools and other agencies.

FTP's gross cost is at the high end of program costs estimated in other MDRC evaluations of welfare-to-work programs. This is not surprising. As discussed in Chapter 1, Florida was one of the first states to impose a time limit on welfare receipt. It implemented FTP, a small pilot welfare reform program, before time limits were widely accepted. Florida hoped to prevent recipients from reaching the time limit without a way to support themselves and their children, but it was not known what this might entail. In this context, the state gave FTP virtually unlimited funding to ensure that recipients had all the services and supports they needed to find jobs or other income sources to replace cash assistance. Because of these unique circumstances, FTP's high cost should not be considered representative of the costs of other programs with welfare time limits.

- **The *net* cost of FTP, over and above what was spent on the Aid to Families with Dependent Children/Project Independence program, was about $8,000 per person.**

The net cost per FTP group member is the gross cost per FTP group member minus what would have been spent in the absence of FTP — the gross cost per AFDC group member of AFDC/PI services. The gross cost per AFDC group member was about $4,500, roughly one-third the FTP gross cost. Approximately 40 percent of the net cost per FTP group member was spent on employment services, 30 percent on support services, 24 percent on eligibility-related services, and 5 percent on enhanced health and social services (these percentages do not sum to 100 percent because they were rounded).

- **The benefit-cost findings show that FTP, like many other programs studied, benefited families but increased their incomes only modestly.**

Over five years, FTP group members gained an average of approximately $1,500 per person as a result of the program. FTP increased sample members' earnings, fringe benefits from employment, and support service payments; these increases outweighed sample members' losses from decreased transfer payments.

- **The high cost of operating FTP far exceeded the savings in transfer payments it generated. As a result, FTP produced a net loss to the government of about $6,300 per FTP group member.**

As noted above, Florida very generously funded FTP in the hope of preventing welfare recipients from reaching the time limit without being able to support themselves. FTP's ability to generate offsetting welfare savings was limited because most of the AFDC group left assistance without the help of the program.

Moreover, the net loss to the government per FTP group member (about $6,300) was much larger than the net gain per FTP group member (about $1,500). Said another way, the net gain per FTP group member was about $0.25 per each net $1.00 invested in the program.

II. Issues in the Cost Analysis

The primary purpose of the cost analysis is to estimate the cost of FTP services, over and above the cost that would have been incurred in the absence of the program — that is, to estimate the average *net cost per FTP group member*. The net cost is the difference between the average cost per FTP group member and the average cost per AFDC group member of all services that sample members used in the FTP and AFDC/PI programs and of the education and training services that they used outside the programs, when they were no longer receiving AFDC/TANF (Temporary Assistance for Needy Families) benefits. In other words, the cost for the AFDC group is the benchmark to determine the additional costs incurred as a result of FTP. Costs were estimated for the five-year period following sample members' entrance into the study. Later in the chapter, to assess whether FTP has been cost-effective from the perspective of the government's budget, this five-year net cost is compared with the value of any budgetary savings during the same period (for example, from lower AFDC/TANF or Food Stamp payments) and any tax revenue increases associated with additional earnings of FTP group members.

As discussed in Chapter 2, Florida's Department of Children and Families (DCF) administered both FTP and the traditional AFDC program. The state's Department of Labor and Employment Security (DLES), through its Division of Jobs and Benefits, provided or coordinated employment-related services for FTP and AFDC group members. All the funds for these services originated at DCF, and thus, in this chapter, expenditures by both agencies are referred to as *welfare department expenditures*. This analysis separates expenditures made by the welfare department from those made by other agencies, such as schools in the community; this information may be useful to administrators and planners who want to understand the nature of the government's investment in FTP.

This cost analysis differs in two key ways from most others that have been conducted as part of MDRC evaluations of welfare-to-work programs. First, in most prior evaluations, the control group was not subject to any special welfare-to-work program, so there were no program costs to estimate for that group; costs consisted only of the cost of education and training activities that control group members participated in on their own (and the cost of related support services). In the FTP evaluation, the control group (the AFDC group) was subject to the welfare rules that existed before FTP was implemented, and thus many of its members were required to participate in Project Independence (PI) welfare-to-work activities.[1] Therefore, this analysis includes an estimate of the costs of PI services for AFDC group members.

[1]As noted in Chapter 2, Project Independence was Florida's statewide Job Opportunities and Basic Skills Training (JOBS) welfare-to-work program. Although the name Project Independence is not used to describe the welfare-to-work program under Work and Gain Economic Self-Sufficiency (WAGES), which began in October 1996, the name is (continued)

Second, rather than focusing on only the costs of employment-related services, this analysis also includes estimates of the costs of eligibility-related services and FTP's enhanced health and social services. As discussed in Chapter 2, FTP provided an array of additional services to welfare recipients, such as individualized case management, an on-site nurse, and enhanced mental health services. To provide an accurate estimate of the total cost of FTP, the cost of these services must be counted in the analysis.

As mentioned, the costs presented here include the costs of FTP and AFDC/PI program services as well as the costs of employment-related services that sample members used outside the programs when they were not receiving AFDC/TANF. The off-welfare costs are important because they represent an additional investment of resources that could have differentially affected FTP and AFDC group members' future earnings and AFDC/TANF receipt (effects that are accounted for in the benefit-cost analysis).

All FTP group members and AFDC group members, not just those who participated in FTP or PI, were included in calculating the net cost. The requirement to participate may have affected some recipients' behavior — some people may have chosen to avoid the participation mandate by finding a job on their own or by leaving the AFDC/TANF rolls. In addition, sample members who did not participate in FTP or PI services may have taken part in education and training services on their own. Moreover, the sample includes some people who were applying for cash assistance at the time of random assignment. Individuals who were not approved to receive assistance would not have incurred FTP or AFDC/PI costs, but excluding these sample members could introduce bias into the cost analysis because FTP may have influenced the types of people who received assistance.

Most of the costs in this chapter were estimated using expenditure data from a "steady-state" period from July 1995 to June 1996. This fiscal year was chosen because it was a period of relatively stable program operations when many sample members were engaged in FTP and the traditional AFDC/PI program. Expenditures during the steady-state period were used to develop unit costs, from which a cost per sample member was calculated.

The *unit cost* of an activity is an estimate of the average cost of serving one person in a specified activity for a specified unit of time (one month, in this analysis). In general, unit costs were calculated by dividing expenditures for an activity (or service) during the steady-state period by the total number of *participant-months* in that activity during the same period. The number of participant-months was obtained by counting the number of participants in that activity in each month of the steady-state period and summing across the months. Once the unit cost of an activity was determined, it was multiplied by the average number of months that sample members spent in the activity, called the *behavioral variable*, to determine the average cost incurred per FTP group member or AFDC group member during the follow-up period.

The behavioral variables used in this analysis cover the five-year period following each sample member's entry into the study. Five full years of data were not available, so the available data were used

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used in this report because AFDC group members participated in a program that looked similar to the traditional Project Independence program.

to project the behavioral variables to five years. (At least four years of data were available for all the relevant outcomes. The following sections provide more detail on the projections.)

III. Major Components of the Cost Analysis

Figure 8.1 illustrates the cost components in the present analysis (and the cost estimates for each component). For each group of sample members, costs were calculated for eligibility-related services, employment-related services that sample members took part in when they were receiving AFDC/TANF, and employment-related services that sample members participated in when they were not receiving AFDC/TANF. Costs for eligibility-related services were all paid for by the welfare department. The two categories of employment-related services are divided into those that were paid for by the welfare department, either directly or indirectly, and those that were paid for by other agencies in the community. For the FTP group, costs were also calculated for the program's enhanced health and social services. (Following sections describe the services that each category encompasses.)

The rest of the cost portion of the chapter is organized to move through the boxes in Figure 8.1, beginning with eligibility-related costs for the FTP group and the AFDC group (boxes 1 and 6) and ending with the net cost per FTP group member (box 10), which is the sum of the FTP costs less the costs of AFDC/PI.

IV. Expenditures for Eligibility-Related Services (Figure 8.1, Boxes 1 and 6)

For both groups of sample members, the category *eligibility-related services* includes the cost of administering AFDC/TANF benefits — determining whether individuals were eligible for AFDC/TANF, calculating and issuing those benefits, and imposing financial sanctions.[2] For the FTP group, the category also covers other activities related to the receipt of cash assistance, such as providing individualized case management intended to help recipients move toward economic self-sufficiency, monitoring the FTP parental responsibility mandates, performing tasks related to the time limit (including operating the citizen Review Panel), and providing child welfare reviews when a family's benefits were slated to be terminated.[3] Orientation to FTP was provided by staff from DCF and DLES; orientation costs for DCF staff are included in the eligibility-related costs, and orientation costs for DLES staff are captured in the employment-related costs (see Section VI). Costs incurred by the welfare department to accommodate MDRC research requirements and requests were excluded from the analysis for both programs.

Various data sources were used to determine the eligibility-related costs. For the AFDC group, the average cost of administering AFDC/TANF benefits in Florida was used. For the FTP group, welfare department expenditure data were collected that captured the costs of the array of eligibility-related services during the steady-state period of July 1995 to June 1996.

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[2]The costs of administering other transfer programs (Food Stamps, Unemployment Insurance, and Medicaid) were accounted for in the benefit-cost analysis to capture the total government investment per sample member. They were not considered here, for either the AFDC group or the FTP group, because FTP was not expected to affect these costs. Furthermore, the AFDC/TANF benefit payments were not estimated as part of the cost analysis; rather, FTP's reduction in these benefits was included in the benefit-cost analysis as a benefit to the government and a loss to FTP group members.

[3]The Review Panel was staffed by citizen volunteers. The cost estimate for FTP includes a value on the volunteers' time (calculated as minimum wage for each volunteer hour).

Figure 8.1

Florida's Family Transition Program

Major Components of Gross and Net Costs

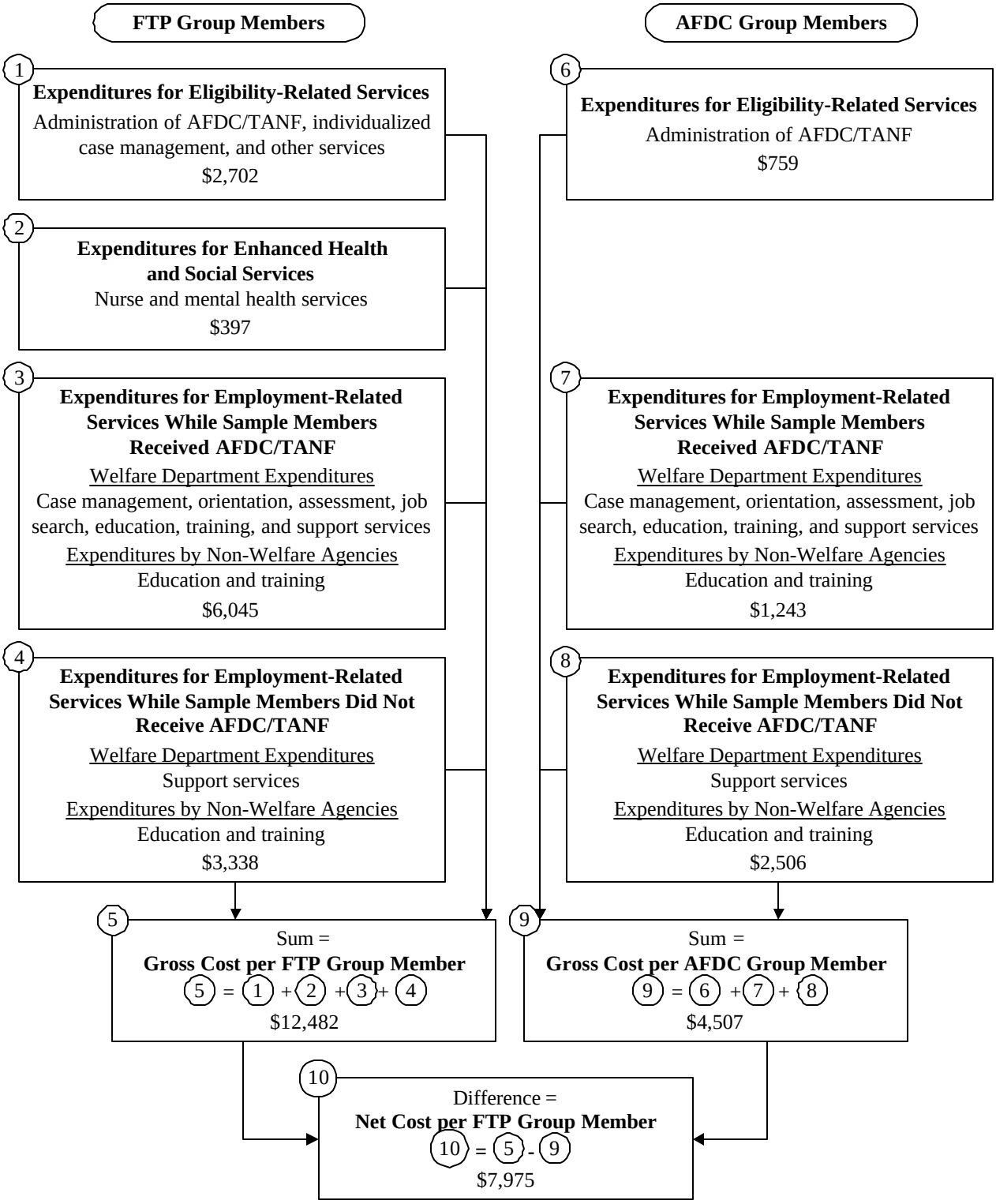

Table 8.1 presents the unit costs — estimates of the average cost of providing specified services to one person for a month — used in the cost analysis. As the lower panel on the table shows, the welfare department paid an average of $43 to administer a month of AFDC/TANF benefits to recipients in the traditional AFDC/PI program. As expected, the per month eligibility-related cost for FTP was much higher: The welfare department spent an average of $173 per month on eligibility-related services for each month that FTP group members received cash assistance (shown in the upper panel of the table). (These costs, and all other costs included in this analysis, are presented in 1996 dollars.)[4]

FTP's higher unit cost reflects the wider range of services provided (discussed above), as well as the intensive case management provided to participants. As discussed in Chapter 2, FTP case managers were responsible for determining eligibility for welfare benefits, but they also played a broader role in helping participants move toward self-sufficiency. To facilitate this intensive case management, program administrators allowed FTP case managers to carry exceptionally small caseloads. During fiscal year 1996, for example, FTP case managers worked with an average of 33 active cases each, whereas eligibility staff in the traditional AFDC program worked with about 150 cases each. Surveys of staff and program participants conducted in 1995 and 1996 confirmed that FTP case managers, compared with AFDC eligibility workers, saw their clients more often, provided more personal attention, and addressed self-sufficiency issues to a much greater extent.

Table 8.2 presents the per sample member cost of each category of services included in the cost analysis. To obtain the eligibility-related cost per sample member shown in the table, each program's unit cost for eligibility-related services was multiplied by the respective group's average length of cash assistance receipt during the follow-up period. For example, the unit cost of eligibility-related services in FTP, $173, was multiplied by 15.6, the average number of months of cash assistance receipt over five years for the FTP group, yielding a cost of $2,702 per FTP group member.[5] In comparison, the welfare department spent only $759 per AFDC group member on eligibility-related activities ($43 multiplied by 17.6 months of assistance).[6]

V. Expenditures for Enhanced Health and Social Services (Figure 8.1, Box 2)

FTP sought to increase participants' access to a range of benefits, including health and social services. To accomplish this, nurses were stationed at the FTP service centers, and mental health assessment and counseling were provided to FTP group members by a community mental health center under contract to the welfare department. The costs for these services are captured

[4]Most of the cost estimates are presented in fiscal year 1996 (July 1995 through June 1996) dollars rather than calendar year 1996 dollars; this does not make a meaningful difference in the estimates.

[5]The unit cost and months of cash assistance receipt presented here are rounded; more precise numbers were used in the actual cost calculation. Note that the projected five-year estimate of the number of months of cash assistance receipt for the FTP group is slightly higher than the four-year number presented in Table 3.1: 15.4 months.

[6]The five-year estimate of months of cash assistance receipt is slightly higher than the number presented for the AFDC group in Table 3.1: 17.1 months.

Table 8.1

Florida's Family Transition Program

Estimated Unit Costs for Program Services, by Program (in 1996 Dollars)

Program and Service	Welfare Department Unit Cost: Average per Month of Participation ($)	Non-Welfare Agency Unit Cost: Average per Month of Participation ($)
Family Transition Program		
Eligibility-related services	173	n/a
Enhanced health and social services	25	n/a
Employment-related activities	445	151
AFDC/Project Independence		
Eligibility-related services	43	n/a
Employment-related activities	135	106

SOURCES: MDRC calculations based on fiscal and participation data from the following sources: the State of Florida Department of Children and Families, the State of Florida Department of Labor and Economic Security, Pensacola Junior College, Florida's automated case management system, and the MDRC two-year and four-year client surveys.

NOTE: n/a = not applicable.

Table 8.2

Florida's Family Transition Program

Estimated Cost per Sample Member, Within a Five-Year Follow-Up Period, by Program and Agency (in 1996 Dollars)

Program and Service	Cost While Sample Member on AFDC/TANF: Welfare Department Cost ($)	Cost While Sample Member on AFDC/TANF: Non-Welfare Agency Cost ($)	Cost While Sample Member Not on AFDC/TANF: Welfare Department Cost ($)	Cost While Sample Member Not on AFDC/TANF: Non-Welfare Agency Cost ($)	Gross Cost per Sample Member ($)
Family Transition Program					
Eligibility-related services	2,702	0	0	0	2,702
Enhanced health and social services	397	0	0	0	397
Employment-related activities	2,719	921	0	1,755	5,395
Child care	1,279	0	1,222	0	2,501
Child care administration	378	0	361	0	740
Transportation and ancillary services	748	0	0	0	748
Total	8,223	921	1,583	1,755	12,482
AFDC/Project Independence					
Eligibility-related services	759	0	0	0	759
Employment-related activities	452	355	0	1,361	2,167
Child care	351	0	1,012	0	1,363
Child care administration	46	0	133	0	179
Transportation and ancillary services	39	0	0	0	39
Total	1,647	355	1,145	1,361	4,507

SOURCES: See Table 8.1 and Table 8.3.

NOTE: Rounding may cause slight discrepancies in calculating sums.

in the category *enhanced health and social services*. The AFDC/PI program offered no similar services, so no costs are estimated for the AFDC group.

As shown in Table 8.1, the welfare department paid an average of $25 per month to provide enhanced health and social services to FTP participants.[7] Multiplying the unit cost by the average number of months of cash assistance receipt for the FTP group yields a cost of $397 per person (see Table 8.2).

VI. Expenditures for Employment-Related Services While Sample Members Received AFDC/TANF (Figure 8.1, Boxes 3 and 7)

A total of $6,045 per FTP group member was spent for employment-related services that sample members took part in when they were on cash assistance. Only $1,243 was spent per AFDC group member. (These costs are shown in Figure 8.1 in boxes 3 and 7.) For both groups, most of these dollars were spent by the welfare department, with the remainder being picked up by various other agencies in the community. This section examines these expenditures in more detail.

A. Welfare Department Expenditures

Welfare department costs consisted of program operating costs and the costs of support services that sample members received to enable their participation in employment and employment-related activities. Summing the operating costs and support service costs presented below shows that the welfare department spent almost six times more per FTP group member than per AFDC group member on employment-related services while sample members received AFDC/TANF benefits ($5,124 per FTP group member, compared with $888 per AFDC group member; these welfare department summary numbers do not appear on any table or figure).

1. Operating costs. The welfare department paid for day-to-day FTP and PI program operating costs, including expenditures for employment-related case management services, overhead, program orientation, and other activities. These expenditures cover services provided directly by DLES staff, as well as services provided by other agencies under contract to DLES. DLES staff directly provided case management (following up on recipients who failed to attend scheduled appointments, providing employability planning, and referring and monitoring individuals assigned to activities), program orientation, assessment, job search assistance, and job development.

The largest contract in FTP was with Pensacola Junior College to run computerized learning labs in the FTP service centers. These labs, called Career Transition Centers, allowed students to work on remedial math and reading skills and to prepare for the General Educational Development (GED) test. In addition, the department contracted with an area nonprofit organization to provide a life skills course called *Survival Skills for Women* and with the Escambia County Board of Commissioners to

[7]Data on participation in FTP's health and social services were not available. Instead, the unit cost was calculated by averaging the total expenditures for the services during the steady-state period across all FTP cash assistance recipients during the same period.

operate an unpaid work experience program and an on-the-job training program.[8] DLES also contracted with some local agencies to provide education and training activities for the PI program.

Expenditure data were collected from the welfare department for FTP and PI operating costs during the steady-state period of July 1995 through June 1996. Because of data restrictions, unit costs for individual components (activities) could not be calculated accurately, and thus costs were calculated for *any activity*. Each program's unit cost for any activity represents welfare department expenditures for all the employment-related activities and services described in the preceding two paragraphs.

The cost to the welfare department for providing one month of service in any employment-related activity in FTP was $445; this cost in PI was $135 (shown in the rows labeled *employment-related activities* on Table 8.1).[9] The FTP cost was higher for two main reasons. First, FTP employment and training case managers (FTP career advisors) had much smaller caseloads than their traditional PI counterparts. For example, in mid-1996, FTP career advisors' caseloads were two to three times smaller than those of their traditional PI counterparts. Smaller caseloads generated higher case management costs. Second, FTP provided enhanced employment and training services. Through contracts, DLES paid for more activities and services for FTP participants than for PI participants, and the contracts were funded generously.

The unit cost multiplied by sample members' average number of months of participation in any FTP or PI activity (the behavioral variable) yields the cost per sample member.[10] As shown in Table 8.2, this cost was $2,719 per FTP group member ($445 multiplied by 6.1 months of participation) and only $452 per AFDC group member ($135 multiplied by 3.4 months of participation). FTP's higher welfare department operating cost is a product of the higher unit cost and more participation in program activities.

2. Support service costs. Both FTP and the traditional AFDC/PI program paid for child care, transportation, and ancillary services (such as uniforms, tools, equipment, and books) to support recipients' participation in employment and employment-related activities. For this analysis, automated, individual-level child care payment data were collected from the welfare department for all sample members.[11] Individual-level expenditure data were not available for transportation and ancillary services.

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[8]As noted in Chapter 2, FTP also worked with local employers and training providers to establish special short-term training programs for FTP participants facing time limits. No dollars were spent for these programs during the steady-state period for the cost analysis, fiscal year 1996.

[9]The unit costs were calculated by dividing the total expenditures during fiscal year 1996 for the employment-related activities described in the text by the total number of participant-months in any activity during the same period.

[10]For the cost analysis, data on participation in FTP and PI activities were obtained from Florida's automated case management system. (The analysis discussed in Chapter 2 relied on the two-year and four-year client surveys for in-program participation.) Data were available for all sample members for a period of 50 to 59 months following random assignment. Based on patterns of participation over time, participation was imputed to 60 months for each sample member.

[11]Between 49 and 57 months of child care payment data were available for all sample members. Based on patterns of payments over time, payment values were imputed to 60 months for each sample member.

Instead, costs were estimated using data on aggregate welfare department expenditures for these services during the steady-state period.[12]

Table 8.3 shows detailed information on support service costs for FTP and AFDC/PI. (To allow a tally of all program costs, support service costs are also summarized on Table 8.2.) The first row of Table 8.3 shows information on child care assistance provided to FTP group members while they were receiving AFDC/TANF benefits and either working or participating in employment-related activities (*FTP-related* child care). The first row of the lower panel on the table shows similar information for the AFDC group (*PI-related*). The average monthly child care payments for FTP and AFDC/PI were roughly similar, but FTP paid benefits to more people for more months: Almost half of FTP group members received FTP-related child care for an average of nine months, whereas only about one-fifth of AFDC group members received PI-related child care for an average of about seven months. These differences yielded an FTP-related child care cost per sample member that was almost four times higher than the PI-related child care cost ($1,279, compared with $351).

Various factors increased the rate and length of child care receipt for the FTP group, relative to the AFDC group. Theoretically, FTP and AFDC/PI program participants had access to the same child care services, but FTP child care assistance was enhanced in several ways. As reported in Chapter 2, more FTP group members participated in program activities, and they participated for more months. In addition, a staff person from the child care resource and referral agency was outstationed in each of the two FTP service centers; participants in the traditional program had to visit the agency's office to arrange for care. Finally, FTP had plentiful funding for child care assistance, but the AFDC/PI program had a brief funding shortage early in the follow-up period.

The difference between the programs' expenditures for transportation and ancillary support is even more dramatic. As shown in Table 8.3, the welfare department spent an average of $748 per FTP group member on these services, compared with only $39 per AFDC group member.[13] As for child care, FTP had more funding available for these services than did the AFDC/PI program. Moreover, the more personalized case management that FTP provided resulted in staff's approving a wide variety of supports that were not approved in the AFDC/PI program. In fact, during at least part of the evaluation period, in addition to bus passes and gas vouchers, FTP routinely provided payments for taxi services, auto repairs, auto registration and insurance, and traffic fines and parking tickets.

B. Non-Welfare Agency Expenditures

As previously noted, DLES had a contract with a local junior college to provide basic education instruction in computer labs located in the FTP centers. Most FTP basic education participants received instruction in these labs, although some recipients enrolled in basic education

[12]Data from Florida's automated case management system were used to calculate the total number of months of transportation and ancillary support provided during the steady-state period in FTP and AFDC/PI (participant-months), as well as the average number of months of service receipt for the FTP and AFDC groups (behavioral variables).

[13]Because of data restrictions, it was not possible to separate expenditures for transportation from expenditures for ancillary services.

Table 8.3

Florida's Family Transition Program

Estimated Support Service Costs, Within a Five-Year Follow-Up Period, by Program (in 1996 Dollars)

Program and Support Service	Per Sample Member Who Received Service: Average Monthly Payment ($)	Average Months of Payments	Cost per Person Who Received Service ($)	Percent of Sample Members Who Received Service	Cost per Sample Member ($)
Family Transition Program					
Child care					
FTP-related	304	9.0	2,732	46.8	1,279
Transitional	324	12.8	4,145	20.6	855
Income-eligible	322	12.1	3,895	4.8	189
Other	455	10.4	4,719	3.8	178
Transportation and ancillary services	177	10.7	1,897	39.4	748
Total					3,250
AFDC/Project Independence					
Child care					
PI-related	275	6.6	1,802	19.5	351
Transitional	330	9.7	3,208	14.0	448
Income-eligible	339	14.2	4,811	7.4	355
Other	481	11.1	5,348	3.9	209
Transportation and ancillary services	29	7.5	218	17.9	39
Total					1,402

SOURCES: MDRC calculations based on data from the following sources: the State of Florida Department of Children and Families, the State of Florida Department of Labor and Economic Security, and Florida's automated case management system.

NOTE: Rounding may cause slight discrepancies in calculating sums.

courses at local providers, and these costs were not covered by the welfare department. The department did not pay for post-secondary education for FTP participants or for vocational training (during the steady-state period for this analysis). In the PI program, the welfare department did not cover the costs of basic or post-secondary education or vocational training. The non-welfare agency expenditures for the two programs thus represent the cost of providing these services.[14]

Expenditure data were collected from Pensacola Junior College, a key provider of basic and post-secondary education and of vocational training for FTP and PI participants. Estimates based on these data, presented in Table 8.1, show that the non-welfare agency cost of providing one month of any employment-related activity to FTP participants was $151; the unit cost for providing services to PI participants was $106 (as for the welfare department costs, individual component costs were not calculated). The gross cost of these services, shown in Table 8.2, was $921 per FTP group member and $355 per AFDC group member. The cost difference is explained by the higher unit cost for FTP and the FTP group's higher level of participation in activities.

VII. Expenditures for Employment-Related Services While Sample Members Did Not Receive AFDC/TANF (Figure 8.1, Boxes 4 and 8)

FTP and AFDC group members participated in some employment-related activities when they were not receiving AFDC/TANF benefits. Although these services were not part of FTP or the traditional AFDC/PI program, if FTP and AFDC group members participated in different activities or participated at different rates, the off-welfare services have the potential to differentially affect sample members' earnings and welfare receipt, and thus they are included in the cost estimates. Both groups also received child care assistance from the welfare department if they left welfare for work.

A total of $3,338 was spent per FTP group member for these services, and $2,506 was spent per AFDC group member (shown in Figure 8.1 in boxes 4 and 8). For each group, roughly half this cost was paid by non-welfare agencies. These expenditures are examined in more detail below.

A. Welfare Department Expenditures

FTP offered up to two years of transitional child care assistance to parents who left welfare for work, and the AFDC/PI program offered up to one year of assistance.[15] Shown in the right-hand column of Table 8.3, the average cost per FTP group member for transitional child care was $855, compared with $448 per AFDC group member.

Sample members also could receive income-eligible child care (sometimes called "working poor" child care) if they were working at least 20 hours per week, were not receiving AFDC/TANF, and their income was below 150 percent of the federal poverty level. Sample members whose transitional child care eligibility expired could receive income-eligible assistance as long as they met the criteria. The AFDC/PI cost for income-eligible child care was higher than the FTP cost, likely because some

[14]These services were funded by the providers, other government agencies, and student grants.

[15]As mentioned in Chapter 1, FTP also offered transitional child care benefits to working parents who were eligible for AFDC/TANF benefits but opted not to receive them.

AFDC group members used income-eligible child care rather than transitional care and because transitional child care eligibility expired sooner for AFDC group members. The programs also paid for care of children in protective services (category *other* on Table 8.3; called "protective services" in Chapter 5).

Summing expenditures for transitional, income-eligible, and other child care for each program shows that the welfare department paid a total of $1,222 per FTP group member for child care services while sample members were off welfare, and $1,012 per AFDC group member. (These summary numbers are shown on Table 8.2.)

B. Non-Welfare Agency Expenditures

When sample members were not receiving AFDC/TANF benefits, they most commonly participated in basic education, post-secondary education, and vocational training; some sample members participated in other activities (job search, unpaid work experience, and on-the-job training).[16] Thus the non-welfare agency cost for providing employment-related activities represents the average cost of these activities.[17] As shown on Table 8.2, the non-welfare department cost for these activities per FTP group member was $1,755, and the cost per AFDC group member was $1,361. The FTP cost is higher because the FTP group's rate of participation in activities when they were off welfare was higher than the AFDC group's rate.[18]

VIII. Gross Costs of FTP and AFDC/PI (Figure 8.1, Boxes 5 and 9)

The gross cost of FTP was obtained by adding the cost of services while FTP group members received cash assistance (for eligibility-related and employment-related services and enhanced health and social services) to the cost of services while FTP group members did not receive cash assistance. This total investment must be compared with the total gross cost per AFDC group member to determine the government's net investment per FTP group member and, in the benefit-cost analysis, the net payoff of that investment.

As shown in Table 8.2, a total of $12,482 was spent per FTP group member over the five-year follow-up period. This cost includes $2,702 for eligibility-related services (also shown in box 1 on Figure 8.1), $397 for enhanced health and social services (box 2), $6,045 for employment services while FTP group members were on AFDC/TANF (box 3), and $3,338 for employment services while FTP group members were off AFDC/TANF (box 4). About 73 percent of the gross cost was for services

[16]FTP, through the Bootstrap program, offered continuing support for individuals who left welfare for work to obtain continued education or training. As noted in prior reports from the FTP evaluation, few individuals enrolled in Bootstrap. Therefore, costs were likely negligible and were not estimated for this analysis.

[17]Unit costs were estimated using expenditure data from Pensacola Junior College (for basic education, post-secondary education, and vocational training) and information on the costs of job search, work experience, and on-the-job training from a previous report on Project Independence (Kemple, Friedlander, and Fellerath, 1995). PI costs were used because, as noted, component costs could not be calculated for this analysis.

[18]The two-year and four-year client surveys, along with AFDC/TANF payment records, were used to estimate participation in employment-related activities that sample members took part in when they were not receiving welfare. Based on participation patterns over time, participation was imputed to five years (60 months).

that FTP group members received when they were on AFDC/TANF. Of the total gross cost per FTP group member, 79 percent, or $9,806, was funded by the welfare department, with the remainder picked up by non-welfare agencies.

FTP's gross cost is at the high end of program costs found in other MDRC evaluations of welfare-to-work programs. Other high-cost programs studied by MDRC include the Alameda and Los Angeles Greater Avenues for Independence (GAIN) programs run in the late 1980s and early 1990s, which provided extensive education and training services. The GAIN cost estimates did not include expenditures for eligibility-related services or health and social services. Moreover, the GAIN child care costs were very low and not comparable to the FTP child care costs: GAIN required only parents with children age 6 years or older to participate in program activities, whereas FTP required parents with children as young as 6 months to participate. Therefore, it is most meaningful to compare the programs' expenditures for employment-related activities. A total of $5,395 was spent per FTP group member on employment-related activities, compared with $7,166 per sample member in Alameda and $6,677 per sample member in Los Angeles (in 1996 dollars).[19]

It is not surprising that FTP was an expensive program. As discussed in Chapter 1, Florida was one of the first states to impose a time limit on welfare receipt. It implemented FTP, a small pilot welfare reform program, before time limits were widely accepted and before the effects of time limits were known. Florida hoped to prevent recipients from reaching the end of the time limit without having a way to support themselves and their children, but it was not known what this might entail. In this context, the state designed FTP as a program with an unusually rich array of services and supports — including a wide range of employment-related services, social and health services, enhanced support services, and staff with very small caseloads — to ensure that participants could achieve self-sufficiency. The state very generously funded FTP in order to provide this rich array of services.

The gross cost per AFDC group member was $4,507, about one-third the FTP gross cost. In contrast to the FTP costs, only about 44 percent of these dollars paid for services that AFDC group members received when they were on AFDC/TANF. Of the total gross cost per AFDC group member, only 62 percent, or $2,792, was funded by the welfare department.[20]

IX. Net Cost of FTP (Figure 8.1, Box 10)

As shown in Table 8.4, the net cost per FTP group member was $7,975. Compared with the AFDC/PI program, FTP spent $1,943 more per sample member for eligibility-related ser-

[19]In Riccio, Friedlander, and Freedman, 1994, the GAIN costs were presented in 1993 dollars and were as follows: Alameda, $6,534 (calculated from the total cost, $6,977 minus the child care cost, $443); and Los Angeles, $6,088 ($6,402 minus $314).

[20]Considering only costs for employment-related services, the gross cost per AFDC group member is similar to the five-year cost of the PI program run in the early 1990s. The gross cost per AFDC group member of employment-related services was $3,749; the cost estimated in MDRC's evaluation of the earlier PI program was $3,298 per program group member (in 1996 dollars). (In Kemple, Friedlander, and Fellerath, 1995, the PI cost was presented in 1993 dollars: $3,096.)

Table 8.4

Florida's Family Transition Program

Estimated Gross Costs and Net Costs, Within a Five-Year Follow-Up Period (in 1996 Dollars)

Service	Gross Cost per FTP Group Member ($)	Gross Cost per AFDC Group Member ($)	Net Cost per FTP Group Member ($)
Eligibility-related services[a]	2,702	759	1,943
Enhanced health and social services	397	0	397
Employment-related activities	5,395	2,167	3,228
Child care	2,501	1,363	1,138
Child care administration	740	179	560
Transportation and ancillary services	748	39	709
Total	12,482	4,507	7,975

SOURCES: See Table 8.1 and Table 8.3.

NOTES: Rounding may cause slight discrepancies in calculating sums and differences.

[a] The gross cost per AFDC group member for eligibility-related services is the cost of administering AFDC/TANF benefits.

vices, $397 more for health and social services,[21] $3,228 more for employment-related activities, and $2,407 more for support services. In other words, 24 percent of the net cost was spent on eligibility-related services, 5 percent on enhanced health and social services, 40 percent on employment-related activities, and 30 percent on support services (the percentages do not total 100 percent because they were rounded). The total net cost per FTP group member can be divided between the net cost to the welfare department and the net cost to non-welfare agencies: The net cost to the welfare department was $7,014, and the net cost to non-welfare agencies was $960.

The net cost of FTP was used in the benefit-cost analysis to help gauge the financial gains and losses of FTP from the perspective of different groups in society. The rest of the chapter presents results from the benefit-cost analysis.

X. Analytical Approach for the Benefit-Cost Analysis

The analytical approach used in the FTP benefit-cost analysis is similar to that used in previous MDRC evaluations.[22] The general approach is to place dollar values on FTP's effects and its use of resources wherever possible, either by directly measuring them or by estimating them.

FTP's effects on earnings, AFDC/TANF and Food Stamp payments, Unemployment Insurance (UI) compensation, and Medicaid were measured directly. Effects on earnings were based on quarterly earnings reported by employers to Florida's UI system, and effects on AFDC/TANF payments and Food Stamp payments were measured using computerized administrative records kept by the state of Florida (the same data sources were used in the impact analysis presented in Chapter 3). FTP's effects on UI compensation payments were based on data from Florida's UI system, and the effects on Medicaid payments were based on state computerized administrative records. FTP's effects on fringe benefits, federal income taxes (Florida does not have a state income tax), state sales taxes, and the costs of administering transfer programs could not be measured directly but were estimated or imputed using various data sources (details are provided below).

All of these effects were considered along with the estimated cost of FTP, presented above, to ascertain the net gains and losses of FTP to FTP group members, the government, individuals in society not subject to FTP, and society as a whole.

[21]It cannot be determined how much of the enhanced health and social services provided to FTP group members was actually "net," because AFDC group members may have received similar services outside the AFDC/PI program. If half the enhanced services were net, then the difference in the costs would have been $199, and the net cost per FTP group member would have been $7,777. If, alternatively, none of the enhanced services was net, then the net cost per FTP group member would have been $7,578. None of the variations substantially affects the net cost figure.

[22]Many of the techniques were originally developed for the benefit-cost analysis conducted as part of MDRC's Demonstration of State Work/Welfare Initiatives (for additional information, see Long and Knox, 1985). This report's description of the analytical approach was adapted from previous MDRC reports (Riccio, Friedlander, and Freedman, 1994; Kemple, Friedlander, and Fellerath, 1995; and Miller et al., 2000). Minor distinctions were introduced because of the available data and the unique features of FTP and its context.

A. Accounting Methods

The benefit-cost estimates cover a five-year time horizon starting with the quarter after random assignment (quarter 1) for each sample member. This time frame is similar to that used in most previous MDRC evaluations of welfare-to-work programs.[23] The five-year time horizon includes an observation period and a projection period.

The *observation period* for each sample member encompasses the portion of the follow-up period for which benefits were estimated from "observed," or recorded, data. It extends from quarter 1 through the last month of available data. The observation period for AFDC/TANF and Food Stamps payments, earnings, and UI compensation payments covers at least four years for all sample members. The observation period for Medicaid payments covers at least three years and nine months for all sample members.[24] Gains and losses observed at the end of these periods were then projected to the end of year 5, using several assumptions about the size of future effects. The *projection period* for each sample member is relatively brief, ranging from 0 to 15 months, depending on the data source.

The benefit-cost estimates in this analysis are expressed in terms of *net present values per FTP group member*. The "net" in net present value means that, like impacts, the estimated amounts represent differences between estimates for FTP and AFDC group members. The estimates are in "present value" terms because the accounting method of discounting was used to express the dollar worth today of program effects that occur in the future.[25] As in the cost analysis, all estimated amounts in the benefit-cost analysis are expressed in 1996 dollars, eliminating the effects of inflation on the values.

B. Analytical Perspectives

[23]Projecting FTP's benefits and costs beyond a five-year time horizon would be very problematic. FTP limited AFDC/TANF receipt within a fixed time period (24 months in any 60-month period for some recipients, and 36 months of benefits in any 72-month period for others). During the five-year time horizon covered in the benefit-cost analysis, many recipients reached the time limit and had their cash grant closed. It would be very difficult to predict what would happen when people reach the end of the fixed time period. For example, it would be difficult to predict what proportion of individuals with a 24-month time limit would return to welfare at the end of the 60-month period, how long they would receive benefits, what their employment patterns would be, and so on.

[24]When the benefit-cost analysis was conducted, data on AFDC/TANF and Food Stamps were available through June 1999; data on earnings and UI compensation were available through March 1999; and data on Medicaid payments were available through December 1998.

[25]In programs such as FTP, many costs are incurred early, when welfare receipt is heaviest; however, many benefits, such as earnings gains, continue to be realized in later years. Simply comparing the nominal dollar value of program costs with benefits over multiple years would be problematic because a dollar's value is greater in the present than in the future: A dollar available today, either to FTP group members or the government, can be invested and may produce income over time, making it worth more than a dollar available in the future. In order to make a fair comparison between benefits and costs over multiple years, it is essential to determine their value at a common point in time — for example, the present. In benefit-cost analyses, this is often accomplished by discounting, a method for reducing the value of benefits and costs accrued in later years relative to benefits and costs accrued in early years. In the FTP analysis, the end of the first year following random assignment was used as the comparison point for the investment period. In other words, gains that were accrued after that point were discounted to reflect their value at the end of year 1. In calculating these discounted values, it was assumed that a dollar invested at the end of year 1 would earn a real rate of return of 5 percent annually (this assumption was used in other MDRC benefit-cost analyses). (All of the effects of FTP were discounted, but only the costs of FTP for which the month of accrual could accurately be determined — child care expenditures — were discounted.)

An important issue in benefit-cost analyses of government programs is determining who bears any benefits or costs of the program. A program effect can generate gains from one perspective while generating losses from another. For example, a decrease in AFDC/TANF payments is a financial loss from the perspective of the FTP group but a financial gain from the perspective of the government. This makes it important to consider the perspectives of all the directly affected groups when assessing each main program effect.

This analysis presents the net benefits and costs of FTP from the perspective of the following groups: program participants (the FTP group); the government budget; individuals who were not subject to FTP (nonparticipants); and society as a whole. In Box 8.1, the main financial effects of FTP are shown as an expected gain or benefit (+), loss or cost (-), or neither a benefit nor a cost (0), according to a priori expectations regarding their value. (The tables presented in following sections show the actual gains and losses in dollars.)

Box 8.1

Expected Main Financial Effects of FTP

	Accounting Perspective			
Financial Effect	**Partici-pants**	**Govern-ment Budget**	**Nonpar-ticipants**	**Society**
Increased earnings and fringe benefits	+	0	0	+
Increased tax payments	-	+	+	0
Reduced use of transfer programs	-	+	+	0
FTP eligibility and operating costs	0	-	-	-
Increased use of support services	+	-	-	0

The *participant perspective* identifies net gains or losses for members of the FTP group, indicating how they fared as a result of the program. As illustrated in Box 8.1, it is expected that earnings and support services impacts represent gains for participants, whereas reductions in AFDC/TANF payments and higher tax payments (resulting from earnings gains) represent losses. The program may be considered a net gain from the standpoint of participants if the gains from earnings and support services exceed losses from reduced transfer payments and higher taxes. The net cost of providing eligibility and employment-related services to participants has no direct effect on their income.

The *government budget perspective* identifies net gains and losses incurred by a combination of federal, state, and local government budgets. Net gains to the government budget occur through savings in transfer payments and their related administrative costs and through higher taxes paid by FTP group members compared with AFDC group members. The government budget comes out ahead if tax

increases and savings in transfer payments and administrative costs exceed the net cost of providing FTP services. FTP group members' earnings gains do not directly affect the government budget's net gains or losses.

The *nonparticipant perspective* identifies benefits and costs from the standpoint of everyone in society other than those subject to FTP. Estimates of net gains and losses from the nonparticipant perspective are the same as those from the government budget perspective, except in the treatment of Social Security and Medicare. The government budget gains from both participants' and their employers' contributions to Social Security and Medicare payroll taxes, but nonparticipants, who include employers, gain only from employee contributions to those two taxes.

The *perspective of society as a whole* combines the perspectives of the groups: participants and nonparticipants (and the government budget). For a given component, a net gain to society occurs only when a gain to one group is not at the expense of another group. As shown in Box 8.1, for example, impacts on earnings represent a gain to participants and neither a gain nor a loss to nonparticipants or the government budget; this results in a gain to society as a whole. Net losses to society occur when a loss from one perspective is not a benefit from another. For example, the net cost of FTP represents a loss to nonparticipants and the government budget but neither a gain nor a loss to participants; this cost is thus considered a loss to society. Program effects that constitute a net gain from one perspective but a net loss from another, such as the decrease in transfer payments, represent a transfer from one group to another and simply cancel each other out. Thus, they have no financial consequences from the societal perspective.

When adopting the societal perspective, it is assumed that the value or importance of a dollar lost by one group is equivalent to that of a dollar gained by the other group; this assumption may not be valid. Typically, participants in programs such as FTP have much lower incomes, on average, than nonparticipants. Thus, a dollar is likely worth more to an average sample member than to an average nonparticipant or the government. Although this benefit-cost analysis treats each dollar the same, no matter whom in society it accrues to, readers should be aware of the limitations in this assumption.[26]

C. Limitations of the Analysis

Some limits on the comprehensiveness of the benefit-cost analysis should be recognized. Some program effects, whose costs and benefits are difficult to quantify or to express in dollars, are not estimated. For example, the estimates in this chapter reflect the direct effects of FTP and do not consider secondary effects. These secondary effects include the possible displacement of other workers by the increased employment of FTP group members; these displaced workers may have become unemployed or employed in lower-paying jobs. In addition, the analysis does not consider the sample members' foregone personal and family activities that resulted from increased work, or the intrinsic benefits of education that are not reflected in earnings. The analysis does not place a dollar value on family or child

[26]An alternative approach is to use a distributional weighting scheme in which participants' gains and losses are given a weight greater than nonparticipants' (and the government's) gains and losses. Although this approach may sound advantageous, typically benefit-cost analyses of programs such as FTP do not use weighting because the appropriate values of the weights are not known (for further discussion, see Boardman et al., 1996).

well-being, or the clear but difficult to monetize benefits associated with society's (or participants') preference for work over welfare.

XI. FTP Effects for Participants

This section presents estimates of the financial effects of FTP per FTP group member during the observation period.[27]

A. Earnings and Fringe Benefits

As reported in Chapter 3, FTP produced gains in employment and earnings for FTP group members (compared with AFDC group members) during the follow-up period for the impact analysis. Table 8.5 shows that the value of the earnings gains over the observation period for the benefit-cost analysis was $2,182 per FTP group member (in 1996 dollars).[28]

Fringe benefits — employer-provided health and life insurance, pension contributions, and workers' compensation — were part of sample members' total compensation from working and thus were included in the benefit-cost analysis. Using published data, these were estimated at the rate of 14.9 percent of earnings.[29] The average increase in earnings plus an additional $325 in fringe benefits yielded an average increase in total work-related compensation of $2,507 per FTP group member during the observation period.

B. Personal Taxes

Since FTP increased earnings, one might expect it to also increase federal income taxes, payroll taxes, and sales and excise taxes (as noted earlier, Florida has no state income tax). Tax payments, along with the Earned Income Credit (EIC),[30] were imputed from the relevant earnings base using tax rates and rules for 1996.[31] As shown in Table 8.5, during the observation period, total personal taxes actually decreased slightly (by $5 per FTP group member). The expected increase in tax payments was outweighed by an increase in federal EIC payments to sample members. (However, when tax payments were projected to cover the entire five-year period, as Table 8.7 shows, FTP group members paid slightly more than AFDC group members.)

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[27]This report's presentation of benefit-cost results was adapted from a previous MDRC report (Miller et al., 2000).

[28]The observation period for the earnings effects ranges from four years to four years and nine months; this is slightly different from the follow-up period used in Chapter 3.

[29]This percentage is based on information on employers' compensation costs from the U.S. Department of Labor, Bureau of Labor Statistics (1996). In 1996, employers in the southern United States paid an average of 14.9 percent of their employees' earnings for health and life insurance, pension contribution, and workers' compensation. This average includes employers who provided the full range of benefits and those who did not. For the FTP analysis, the percentage, and thus the estimate of the value of fringe benefits, should be considered an upper-bound figure, since sample members likely received, on average, fewer benefits than a typical worker.

[30]The federal Earned Income Credit is a credit against federal income taxes for taxpayers with annual earnings below a certain level. For 1996, taxpayers with earnings up to $28,495 were eligible for the EIC. Not all eligible taxpayers receive the EIC; this analysis counted EIC payments for 92.3 percent of eligible sample members (the proportion who reported on the FTP four-year client survey that they filed a tax return for 1997).

[31]Income from earnings and UI compensation was used in calculating federal income taxes. Income from earnings, UI compensation, and AFDC/TANF benefits was used in calculating sales and excise taxes. Sales and excise tax rates were based on information from the State of Florida Department of Revenue.

Table 8.5

Florida's Family Transition Program

Estimated FTP/AFDC Group Differences in Earnings, Fringe Benefits, and Personal Taxes for the Observation Period, per FTP Group Member (in 1996 Dollars)

Component of Analysis	FTP Group ($)	AFDC Group ($)	Difference
Earnings	16,768	14,587	2,182
Fringe benefits[a]	2,498	2,173	325
Total earnings and fringe benefits	19,267	16,760	2,507
Personal taxes			
Social Security tax[b]	1,282	1,116	167
Federal income tax[c]	-2,937	-2,735	-202
State sales and excise tax	417	387	30
Total taxes	-1,237	-1,232	-5
Sample size	1,405	1,410	

SOURCES: MDRC calculations from the State of Florida Unemployment Insurance (UI) earnings and benefits records, and from published data on tax rates and employee fringe benefits. The end of the observation period was March 1999 for all outcome measures.

NOTES: Estimates reflect discounting and adjustment for inflation.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Tests of statistical significance were not performed.

[a]These include employer-paid health and life insurance, pension contributions, and workers' compensation.

[b]Employee portion only.

[c]Florida does not have a state income tax.

C. Transfer Payments

As discussed in Chapter 3, FTP decreased AFDC/TANF and Food Stamp payments over the impact follow-up period. Table 8.6 shows that the value of the AFDC/TANF losses for participants during the observation period for the benefit-cost analysis was $736. During the same period, the FTP group lost $523 in Food Stamp payments. FTP group members received $33 more in Unemployment Insurance (UI) compensation — probably because more FTP group members worked and were eligible for UI benefits — and $105 more in Medicaid benefits. These relatively small increases did not make up for the larger losses in AFDC/TANF and Food Stamps; in sum, FTP group members lost an average of $1,121 in transfer payments over the observation period.[32]

FTP also resulted in a decrease in the cost of administering Food Stamps (because the FTP group received less in Food Stamp payments) and negligible increases in the cost of administering UI benefits and Medicaid.[33] These changes, presented in Table 8.6, yielded a total decrease of $79. (The cost of administering AFDC/TANF benefits was estimated as part of the net cost of FTP and is included in the final benefit-cost accounting presented below.)

XII. Net Gains and Losses by Accounting Perspective

Table 8.7 summarizes FTP's main financial effects from the perspectives of participants, the government budget, nonparticipants, and society. FTP group/AFDC group differences were defined as gains, indicated by positive values, and losses, indicated by negative values. These results were then summed to attain an estimate of the overall net gain or loss of FTP from each perspective. The table presents estimates of FTP's effects over five years, including the observation period and the projection period.

A. Perspective of Participants

The first column of Table 8.7 presents the benefit-cost results from the perspective of participants. The column presents FTP group/AFDC group differences in average earnings, fringe benefits, taxes, and transfer payments over the five-year period. It also shows the difference between the average child care assistance that the groups received while they were off welfare (transitional, income-eligible, and other child care, shown on Table 8.3). For participants, this support was valued at its cost to FTP; its actual monetary value to participants may be higher or lower, but this figure is very difficult to determine. (Support services provided to FTP participants when they received welfare were not considered financial benefits; the services were part of the FTP package of in-program services, none of which was counted as a financial benefit.)

The overall financial effect from the participants' perspective was estimated by subtracting the value of losses from transfer payments and taxes from the value of gains in earnings,

[32]The observation periods were as follows: for AFDC/TANF and Food Stamp payments, from four years and three months to five years; for UI compensation, from four years to four years and nine months; and for Medicaid, from three years and nine months to four years and six months.

[33]The costs of administering Food Stamps, UI compensation, and Medicaid benefits were estimated using statewide administrative cost data.

Table 8.6

Florida's Family Transition Program

Estimated FTP/AFDC Group Differences in Transfer Payments and Administrative Costs for the Observation Period, per FTP Group Member (in 1996 Dollars)

Component of Analysis	FTP Group ($)	AFDC Group ($)	Difference
Transfer payments			
AFDC/TANF	4,009	4,745	-736
Food Stamps	6,300	6,823	-523
Unemployment Insurance compensation	128	95	33
Medicaid	6,235	6,130	105
Total	16,672	17,793	-1,121
Administrative costs[a]			
Food Stamps	1,025	1,110	-85
Unemployment Insurance compensation	10	8	3
Medicaid	215	212	4
Total	1,251	1,330	-79
Sample size	1,405	1,410	

SOURCES: MDRC calculations from the State of Florida AFDC/TANF, Food Stamps, and Medicaid payments records, Unemployment Insurance (UI) earnings and benefits records, and published data on administrative costs. The end of the observation period was June 1999 for AFDC/TANF and Food Stamps payments, March 1999 for UI benefits, and December 1998 for Medicaid payments.

NOTES: Estimates reflect discounting and adjustment for inflation.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Tests of statistical significance were not performed.

[a]The cost of administering AFDC/TANF benefits is included in the net cost of FTP presented on Table 8.7.

Table 8.7

Florida's Family Transition Program

Five-Year Estimated Net Gains and Losses per FTP Group Member, by Accounting Perspective (in 1996 Dollars)

	Accounting Perspective			
Component of Analysis	Participants ($)	Government Budget ($)	Non-participants ($)	Society ($)
Earnings	2,333	0	0	2,333
Fringe benefits[a]	348	0	0	348
Tax payments				
Payroll taxes	-178	356	178	0
Income taxes[b]	201	-201	-201	0
Sales tax	-31	31	31	0
Transfer programs				
AFDC/TANF payments	-813	813	813	0
Food Stamps	-544	544	544	0
Unemployment Insurance compensation	36	-36	-36	0
Medicaid	0	0	0	0
Transfer program administration[c]	0	86	86	86
Net cost of FTP (minus support service costs)	0	-5,568	-5,568	-5,568
Support service costs[d]	191	-2,349	-2,349	-2,158
Net gain or loss (net present value)	1,543	-6,325	-6,504	-4,960

SOURCES: MDRC calculations from the State of Florida AFDC/TANF, Food Stamps, and Medicaid payments records, Unemployment Insurance (UI) earnings and benefits records, and published data on tax rates, employee fringe benefits, and transfer program administrative costs.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

Results include estimates of projected program effects beyond the observation period (see Tables 8.5 and 8.6).

[a]These include employer-paid health and life insurance, pension contributions, and workers' compensation.

[b]Florida does not have a state income tax.

[c]The cost of administering AFDC/TANF benefits is included in the net cost of FTP.

[d]The net cost of providing all support services — child care, transportation, and ancillary support — was counted as a cost to the government and to nonparticipants. Only the net cost of child care provided while sample members were off welfare was counted as a benefit to participants.

fringe benefits, and support services. (As noted, participants' small gain from tax payments during the observation period turned into a small loss when payments were projected to the end of the five-year period.) As would be expected, given the income increases reported in Chapter 3, the benefit-cost analysis shows that FTP group members, on average, experienced a net financial gain over the five-year period as a result of the program. The net increases in earnings, fringe benefits, and support services exceeded the net losses in transfer payments and taxes, resulting in a net gain of $1,543 per person.

B. Perspectives of the Government Budget and Nonparticipants

The second column of Table 8.7 presents the benefit-cost findings from the perspective of the government budget. On average, FTP produced a net loss to the government budget of $6,325 per FTP group member. The expense of operating FTP far exceeded the savings from decreased transfer payments and the associated administrative costs.[34]

The third column of the table shows the benefit-cost results from the perspective of nonparticipants. As discussed earlier, results from this perspective are almost identical to the results from the government budget perspective, except for the treatment of payroll taxes: employers' contribution to Social Security and Medicaid are not shown as a benefit for nonparticipants, since this perspective includes employers. Similar to the results for the government, nonparticipants lost an average of $6,504 per FTP group member.

C. Perspective of Society

The right-hand column of Table 8.7 presents the benefit-cost findings from the societal perspective. As explained earlier, the estimates for society constitute the sum of the results for the participant and nonparticipant perspectives. Benefits accrued to society through gains in participants' earnings and fringe benefits and through savings in transfer program administrative costs, and losses to society accrued from the net cost of FTP services. All other effects of FTP constitute a gain from one perspective and a loss from another, thus resulting in no effect for society as a whole. The net present value of FTP to society was -$4,960.[35] In other words, nonparticipants' losses outweighed participants' gains.

XIII. FTP's Benefits and Costs: Conclusions

Like many previously studied programs, FTP benefited families but increased their incomes only modestly.[36] As discussed earlier, however, the benefit-cost analysis does not present a comprehensive account of all FTP's effects. For example, Chapter 4 reported that FTP increased child support pay-

[34]The FTP costs presented in Table 8.7 — the net cost of FTP plus the support service costs — are slightly lower than the net cost of FTP presented in Table 8.4, because child care expenditures were discounted for the benefit-cost analysis.

[35]The benefit-cost estimates presented on Table 8.7 assume no (0 percent) decay in program effects during the projection period. The assumption at the opposite extreme, *full* decay of effects during the projection period, does not yield markedly different benefit-cost results. Assuming full (100 percent) decay, the net present values from the four perspectives are as follows: participant, $1,525; government budget, -$6,449; nonparticipant, -$6,616; society, -$5,091.

[36]See Gueron and Pauly, 1991.

ments, but this increase was not accounted for in the benefit-cost analysis.[37] FTP increased overall employment, but this analysis did not attempt to value society's (or participants') preference for work over welfare, nor, on the negative side, the possible displacement of workers. The analysis did not attempt to value any nonmonetary benefits of increased participation in education, nor did it consider the program effect of lost personal and family time from FTP group members' increased work. Thus the results presented in this chapter should be considered an approximation of FTP's full effects.

The high costs of operating FTP far exceeded the savings in transfer payments it generated. As a result, FTP produced a net loss to the government of approximately $6,300 per FTP group member. FTP's ability to generate offsetting welfare savings was limited because most of the AFDC group left assistance without the help of the program. As discussed in Chapter 1, Escambia County's welfare caseload plummeted unexpectedly during the follow-up period for this analysis: Between 1994 and 1999, the caseload declined by 69 percent. This left little room for FTP to make up for its very high up-front costs. As noted above, Florida very generously funded FTP in the hope of preventing welfare recipients from reaching the time limit unable to support themselves. It is possible that FTP could have produced similar effects by spending less money, but this cannot be determined.

The benefit-cost results from the perspective of the government (and thus from the perspective of nonparticipants and society) should not be considered representative of expected results for other time-limited welfare programs. Few or no states are running programs with services as intensive and generously funded as FTP's. Florida's subsequent welfare program, WAGES, shared some facets with FTP but offered less "enhanced" or "intensive" services. Presumably, the cost of WAGES was much lower than the cost of FTP.

[37]The four-year client survey asked sample members about child support payments received in the month prior to the interview. One month of data is insufficient to accurately extrapolate over the five-year benefit-cost follow-up period.

Appendix A

Four-Year Survey Response Analysis
and
Creation of Welfare Dependency Subgroups

Section I of this appendix discusses the four-year survey response analysis, and Section II describes the creation of the welfare dependency subgroups. The appendix concludes with two tables that summarize the pre-random assignment characteristics and opinions of FTP and AFDC group members.

I. Four-Year Survey Response Analysis

The information on program participation, household composition, job characteristics, hardship indicators, and child and family outcomes was derived primarily from the four-year client survey. This section of the appendix examines response rates for this survey and explores the extent to which the survey respondent sample is representative of the survey sample and the extent to which impact estimates from the survey maintain the unbiased properties of the full sample comparisons. It also discusses issues related to the reliability of the survey-reported information on respondent employment.

As discussed in Chapter 1, this report focuses on 2,815 individuals who applied for or were being recertified for AFDC/TANF benefits between May 1994 to February 1995. This is referred to as the *report sample*. A subset of this sample was selected to participate in the four-year client survey. This is referred to as the *adult survey sample* and includes the 2,160 members of the report sample who entered the study between August 1994 and February 1995 (77 percent of the report sample). Of this group, 1,729 individuals (61 percent of the report sample and 80 percent of the survey sample) completed the four-year client survey.[1] The remaining 431 could not be located or were unable or refused to be interviewed. A subset of the adult survey sample, those having children between the ages of 5 and 12 at the time of the survey, were selected for the *focal child sample*. Sample members who completed the survey are referred to as *respondents*, while sample members selected for the survey who did not complete it are referred to as *nonrespondents*.

Whenever survey response rates are less than 100 percent, it is important to examine two types of factors that may confound the interpretation of the impact findings. First, the respondent sample may be systematically different from the nonrespondent sample. In this case, caution should be used when generalizing impact findings from the respondent sample to the full report sample. A second and more serious concern is that respondents in the FTP group may have different characteristics from respondents in the AFDC group. In this case, differences in outcomes may be due to initial differences in background characteristics of the individuals in the groups who responded rather than to an impact from FTP.

Section A below examines survey response rates for key subgroups of the report sample and for the FTP and AFDC groups within those subgroups. Section B examines the extent to which there are systematic differences between survey respondents and nonrespondents. Section C assesses whether there are systematic differences between FTP and AFDC group members who responded to the four-year client survey.[2] Section D presents impact findings for the survey respondent sample and compares them with the impact findings for the report sample. Finally, Section E discusses the reliability of survey-reported employment rates used in this report.

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[1]As discussed in Chapter 1, one sample member was dropped from the survey analysis.

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

To summarize the results presented below. First, there were systematic differences in the characteristics of respondents and nonrespondents. As a result, caution should be exercised when generalizing survey findings to the report sample. However, given the high overall response rate (80 percent of those attempted), the findings are reflective of the behavior of most of the sample. Second, there was no systematic difference in measured background characteristics of the FTP and AFDC group members who responded to the four-year client survey. This was true for each of the various subsamples and subgroups used in the report. Thus, one may have a high degree of confidence that the impact estimates presented in the report reflect the true impact of FTP rather than initial differences between the FTP and AFDC groups.

A. Comparisons Between FTP and AFDC Group Members in the Survey Respondent Sample

Overall, 80 percent of the survey sample actually completed the four-year client survey. This response rate is consistent with rates obtained in other evaluations involving similar target populations. Table A.1 lists the response rates for the full survey sample, the focal child sample, and various key subgroups discussed in the report. The top panel of Table A.1 shows that there was no systematic difference between the FTP group and the AFDC group in the proportion of sample members who responded to the four-year adult client survey. The response rate for each research group was approximately 80 percent. Overall, just over 78 percent of those attempted from the focal child sample (N=1,414) completed this survey. Although the response rate for the AFDC group was slightly higher than for the FTP group, this difference was not statistically significant.

Table A.1 also indicates that response rates differed across key subgroups. For example, among the subgroups defined by characteristics associated with long-term welfare dependency, approximately 82 percent of the highest-risk subgroup responded to the survey, compared with approximately 77 percent of the lowest-risk subgroup. The largest differences in response rates occurred between first-time AFDC/TANF applicants (approximately 66 percent) and sample members who had received AFDC/TANF for more than two years prior to entering the study (approximately 83 percent). Further analyses suggest that discrepancies in survey response rates may be associated, in part, with whether administrative records (from the Florida system) were available for sample members.

In general, Table A.1 indicates that there were no systematic differences in response rates of FTP and AFDC groups within any of these subgroups. In other words, although there were some differences in response rates of FTP and AFDC group members, none of the differences was statistically significant. This issue will be discussed further below, when the appendix assesses whether there were systematic differences in background characteristics between FTP and AFDC group members who responded to the four-year client survey.

B. Comparisons Between Respondents and Nonrespondents Within the Survey Sample

A key question for interpreting the findings from the four-year client survey is whether the respondents are representative of the survey sample. To address this question, multiple re-

Table A.1

Florida's Family Transition Program

Four-Year Client Survey Response Rates for Various Subgroups

Outcome	FTP Group	AFDC Group	Difference (Impact)
Subsample			
Full sample	80.1	79.9	0.2
Child sample	77.6	79.1	-1.6
Subgroup			
Welfare dependency subgroups			
Most at risk	81.0	83.0	-2.0
Medium risk	81.1	79.7	1.4
Least at risk	77.4	77.2	0.2
Job-readiness subgroups			
Employed during prior year and has high school diploma or GED	77.6	79.6	-2.0
Either wasn't employed during prior year or no high school diploma or GED	79.7	80.3	-0.6
Not employed during prior year and has no high school diploma or GED	83.5	80.7	2.8
Levels of disadvantage subgroups			
None of the barriers	78.9	84.9	-6.0
Some barriers	80.5	79.2	1.3
All 3 barriers	81.1	80.2	0.8
AFDC history subgroups			
First-time applicant	69.6	61.9	7.6
Received AFDC 2 years or less	79.4	80.6	-1.2
Received AFDC 2 years or more	83.3	83.7	-0.4
Race/ethnicity subgroups			
White	77.2	76.2	1.0
Black	85.6	85.1	0.5
Sample size	860	869	

SOURCES: MDRC calculations from the four-year client survey and the Background Information Forms (BIF) for single-parent cases randomly assigned from August 1994 through February 1995.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

The fielded child sample includes sample members with children ages 5 -12 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

gression was use to determine the extent to which the average characteristics of the respondents were different from those of nonrespondents.[3] Table A.2 shows the results of this analysis. The parameter estimates in the first column capture the effect of each variable on the probability of completing the four-year client survey. The asterisks and p-values show the statistical significance of this relationship.

Table A.2 indicates that response rates differed by age, race/ethnicity, and by prior receipt of AFDC and Food Stamps. For example, blacks had a much higher response rate (85.3 percent) than whites (76.7 percent). However, the largest differences between respondents and nonrespondents were associated with prior welfare receipt. In general, those who responded tended to have longer AFDC and Food Stamp histories. For example (not shown), 39 percent of the respondents were on AFDC all 12 months during the year prior to random assignment compared with 26 percent of the nonrespondents.

Interestingly, although prior employment and earnings were not significant predictors of survey response, respondents tended to have higher earnings and more labor market attachment than nonrespondents. For example, 47 percent of the respondents worked during the year prior to random assignment compared with 40 percent of the nonrespondents. Also, total earnings during the year prior to random assignment were nearly $300 higher for respondents compared with nonrespondents. As noted above, sample members were tracked through administrative records systems; therefore, those in the UI or FLORIDA system were more likely to have been located and to have completed a survey.

The F-statistic and its p-value at the bottom of the table show that, overall, the differences between survey respondents and survey nonrespondents were systematic and statistically significant. Therefore, caution should be exercised when generalizing results from the respondent sample to the full survey sample.

C. Background Characteristics of Survey Respondents

The unique strength of a random assignment research design is that, when samples are large enough, as they are in the case of the FTP study, it yields two groups for which there are not systematic differences in measured and unmeasured background characteristics at the time sample members are identified for the study. It is possible, however, that the survey response patterns may have created systematic differences between FTP and AFDC groups used in the analyses

[3]A separate issue is the representativeness of the survey to the *full* analysis sample. Due to changes in sample intake, the survey sample is likely to contain more recipients than applicants. FTP policy on which individuals would be eligible for FTP changed during the first year of operation. The fielded sample consists of those individuals randomly assigned from August 1994 to February 1995. During this time, roughly 49 percent of sample members were applicants to AFDC. However, during the period of full sample intake not covered by the fielded survey sample (May 1994-July 1994), approximately 61 percent of sample members were applicants. Therefore, one would expect there to be differences between respondents and the rest of the *report sample* for two reasons: (1) any differences in the background characteristics of sample members who responded versus those nonrespondents in the survey sample, and (2) the pool from which the survey sample was drawn had a higher percentage of recipients compared with the report sample. Though generalization to the full analysis sample will not be discussed here, Tables A.4 and A.5 confirm that the patterns of impacts for the full survey and focal child sample are largely the same as those in the full analysis sample.

Table A.2

Florida's Family Transition Program

Estimated Regression Coefficients for the Probability of Being a Respondent on the Four-Year Client Survey

	Survey Sample		
Variable	Parameter Estimate		P-Value
Aid status: Applicant	-0.05		0.021
Gender: Male	0.01		0.795
20-24 years old	-0.04		0.225
25-34 years old	-0.06	*	0.085
35-44 years old	-0.06		0.170
45 years old and over	-0.08		0.195
Black, non-Hispanic	0.05	***	0.006
Hispanic	-0.20	**	0.011
Other ethnicity	-0.30	***	0.000
Never married	-0.02		0.416
Married, living together	-0.16	*	0.056
No high school diploma or GED	0.01		0.590
Employed in prior year	0.00		0.909
Employed in prior quarter	0.05		0.147
Average earnings in prior year	0.00		0.303
Square of earnings in prior year	0.00		0.981
Earnings in prior quarter	0.00		0.502
Ever received AFDC in prior quarter	-0.10	**	0.029
Ever received AFDC in prior year	-0.04		0.394
Number of fiscal months of AFDC in prior year	0.01	***	0.001
Ever received Food Stamps in prior quarter	0.10	**	0.036
Ever received Food Stamps in prior year	0.05		0.323
Number of fiscal months of Food Stamps in prior year	0.00		0.427
Age of youngest child	0.00		0.213
FTP group member	0.01		0.742
R-square	0.064		
F-statistic	5.830		
P-value of F-statistic	0.000		
Sample size	2,160		

SOURCES: MDRC calculations from the four-year client survey and the Background Information Forms (BIF) for single-parent cases randomly assigned from August 1994 through February 1995.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment.

A two-tailed t-test was applied to each coefficient estimate. The column labeled "p-value" indicates the statistical significance level of the coefficient: That is, p is the probability that variation in a background characteristic did not contribute to whether or not a sample member was a respondent to the survey.

Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

using the survey data. Table A.3 presents, one at a time, average characteristics of FTP and AFDC group members who responded to the four-year client survey. It also presents this information for those who responded to the focal child survey. The table indicates that there were no statistically significant differences in background characteristics between FTP and AFDC four-year client survey respondents. Within the focal child sample, the difference in only one characteristic (AFDC history) was statistically significant; specifically, FTP group members who responded were more likely to have been applicants than their AFDC group counterparts.

A more rigorous way to test for such differences is to use multiple regression analysis. This analysis indicated that there were no systematic differences in the measured characteristics of FTP and AFDC group members who responded to either survey. These results indicate that one may have a high degree of confidence that the impact estimates derived from the survey data reflect real impacts of FTP rather than initial differences between the research groups.

D. Administrative Records Impacts for Survey Respondents

Table A.4 presents impact findings for the four-year client respondent sample, and Table A.5 presents impact findings for the focal child survey respondent sample. The tables draw on the administrative records data used in Chapter 3 and show impacts on employment, earnings, AFDC/TANF receipt, AFDC/TANF payments, Food Stamp receipt, and the value of Food Stamp payments. A comparison with the findings for the report sample presented in Table 3.1 shows that the magnitudes of both the outcomes and the impacts are somewhat larger in the survey respondent samples than in the full study sample. The largest differences in impacts occurred among the employment and earnings outcomes. For example, for the survey sample, FTP generated an impact on earnings that is nearly $400 higher than in the full sample. Levels of total income over the full four-year follow-up period are more than $2,000 higher in the survey sample versus the full sample. Table A.5 shows that the focal child sample had even higher outcome levels and larger impacts.

The differences in impacts were due to the fact that the outcome levels and magnitude of the impacts were relatively small among the survey nonrespondents. The rightmost columns of Tables A.4 and A.5 provide the results of statistical tests comparing impact estimates for survey respondents with those for the nonrespondents. Statistically significant differences in impacts were concentrated among the employment and earnings outcomes.

In general, however, the pattern of impacts for the survey respondent samples is consistent with the pattern in Table 3.1. Given that the survey respondent sample makes up 61 percent of the full report sample, the patterns of impacts reflect the behavior of the majority of the sample.

E. Reliability of Survey Employment Measures

Findings from another MDRC evaluation of a time-limited welfare reform[4] indicated that some sample members may underreport employment on surveys of the type used in the FTP evaluation. In particular, this underreporting appears to be concentrated among individuals receiving welfare at the time of the survey interview. In addition, it appears that underreporting

[4]Bloom et al., 2000.

Table A.3

Florida's Family Transition Program

Background Characteristics of Survey Respondents

Variable	Among Respondents to the Adult Survey: FTP Group	Among Respondents to the Adult Survey: AFDC Group	Among Respondents to the Focal Child Survey: FTP Group	Among Respondents to the Focal Child Survey: AFDC Group	
Percentage of sample	49.7	50.3	49.0	51.0	
Actual time limit					
24 months	52.5		51.1		
36 months	47.5		48.9		
Age					
Under 20	8.3	6.4	8.1	6.0	
20-23	18.7	19.8	22.8	24.1	
24-33	46.3	46.5	54.9	54.3	
34-43	23.0	22.9	13.1	14.3	
44 or older	3.7	4.4	1.1	1.2	
Has high school diploma	58.8	61.0	59.6	62.8	
Race/ethnicity					
White, non-Hispanic	43.9	42.9	44.7	43.3	
Black, non-Hispanic	54.2	55.5	53.3	54.9	
Other	1.9	1.5	2.0	1.8	
AFDC history					**
First-time applicant	9.6	8.3	9.4	5.5	
Received AFDC/TANF less than or equal to 2 years	36.6	34.6	33.5	35.8	
Received AFDC/TANF 2 years or more	53.8	57.0	57.0	58.7	
Level of job readiness					
Employed during prior year, has high school diploma or GED	32.0	30.7	31.4	31.9	
Employed during prior year, has no high school diploma or GED	16.5	15.9	15.3	15.1	
Not employed during prior year, has high school diploma or GED	26.8	30.3	28.2	30.9	
Not employed during prior year, has no high school diploma or GED	24.7	23.0	25.1	22.2	
Age of youngest child					
Under 3 years	42.8	43.2	50.3	51.7	
3-5 years	27.4	26.9	37.0	34.3	
6 years and older	29.8	29.9	12.7	14.0	
Marital status					
Never married	52.3	52.6	55.9	54.5	
Married, live together	0.5	1.2	0.6	1.2	
Married, live apart	23.3	25.7	22.2	25.2	
Legally separated	3.7	3.6	2.6	3.4	
Divorced	19.8	16.2	18.5	15.5	
Widowed	0.5	0.7	0.2	0.2	
Sample size	860	869	543	565	

(continued)

Table A.3 (continued)

SOURCES: MDRC calculations from the four-year client survey and Background Information Forms (BIF) for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: The sample sizes in this table are not equivalent to the sample sizes of the full report sample or other subgroup tables. Some sample members were dropped from this analysis due to missing or incomplete values for the variables used to construct the subgroup. The subgroup represented in this table is missing information on 81 sample members.

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

A chi-square test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table A.4

Florida's Family Transition Program

Four-Year Impacts on Employment, Earnings, AFDC/TANF Receipt, AFDC/TANF Payments, Food Stamp Receipt, and Value of Food Stamps Received, for the Four-Year Client Survey Respondent Sample

Outcome	FTP Group	AFDC Group	Difference		Percentage Change	Test of Difference
Percent employed per quarter, years 1-4	52.6	46.7	5.9	***	12.7	***
Year 1	44.5	41.4	3.1	*	7.4	
Year 2	54.3	45.6	8.7	***	19.1	***
Year 3	56.2	47.6	8.5	***	17.9	**
Year 4	55.6	52.2	3.4	*	6.4	**
Average total earnings, years 1-4 ($)	18,287	15,541	2,746	***	17.7	*
Year 1	2,862	2,634	227		8.6	
Year 2	4,339	3,548	791	***	22.3	
Year 3	5,274	4,232	1,041	***	24.6	*
Year 4	5,813	5,127	686	**	13.4	*
Percent receiving AFDC/TANF per quarter, years 1	38.6	42.6	-4.0	***	-9.4	
Year 1	69.5	66.1	3.3	**	5.0	
Year 2	45.7	47.7	-2.0		-4.3	
Year 3	26.4	33.7	-7.4	***	-21.8	
Year 4	12.9	22.8	-9.9	***	-43.6	***
Average total AFDC/TANF payments received, years 1-4 ($)	4,168	4,979	-811	***	-16.3	
Year 1	2,080	2,064	15		0.8	
Year 2	1,190	1,378	-188	***	-13.7	
Year 3	611	927	-316	***	-34.1	*
Year 4	288	610	-322	***	-52.8	***
Average number of months receiving AFDC/TANF payments, years 1-4	16.1	18.0	-1.9	***	-10.5	
Percent receiving Food Stamps per quarter, years 1-4	60.5	61.9	-1.5		-2.4	
Year 1	79.7	80.0	-0.3		-0.4	
Year 2	63.9	66.6	-2.8		-4.1	
Year 3	53.5	53.9	-0.4		-0.8	
Year 4	44.9	47.2	-2.3		-4.9	
Average total value of Food Stamp payments received, years 1-4 ($)	6,644	7,293	-649	***	-8.9	
Year 1	2,246	2,452	-205	***	-8.4	*
Year 2	1,732	1,967	-235	***	-11.9	
Year 3	1,442	1,568	-127	*	-8.1	
Year 4	1,225	1,307	-82		-6.3	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	29,099	27,814	1,285		4.6	
Year 1	7,187	7,150	37		0.5	
Year 2	7,261	6,892	368		5.3	
Year 3	7,326	6,727	598	**	8.9	
Year 4	7,326	7,044	282		4.0	
Sample size	860	869				

(continued)

Table A.4 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

The four-year survey was administered to those who were randomly assigned from August 1994 to February 1995.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across the respondent and non-respondent samples was statistically significant. The results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table A.5

Florida's Family Transition Program

Four-Year Impacts on Employment, Earnings, AFDC/TANF Receipt, AFDC/TANF Payments, Food Stamp Receipt, and Value of Food Stamps Received, for the Focal Child Survey Respondent Sample

Outcome	FTP Group	AFDC Group	Difference		Percentage Change	Test of Difference
Percent employed per quarter, years 1-4	55.1	48.2	6.9	***	14.3	***
Year 1	45.9	42.5	3.4		8.0	
Year 2	57.3	46.3	11.0	***	23.8	***
Year 3	59.2	50.3	8.9	***	17.7	**
Year 4	58.0	53.7	4.3	*	7.9	*
Average total earnings, years 1-4 ($)	19,187	15,357	3,831	***	24.9	***
Year 1	2,983	2,544	439	**	17.3	
Year 2	4,502	3,343	1,159	***	34.7	**
Year 3	5,525	4,261	1,263	***	29.6	***
Year 4	6,176	5,208	968	***	18.6	**
Percent receiving AFDC/TANF per quarter, years 1	40.7	45.0	-4.4	***	-9.7	
Year 1	71.9	69.1	2.9		4.2	
Year 2	48.4	50.6	-2.2		-4.4	
Year 3	28.7	36.2	-7.6	***	-20.9	
Year 4	13.7	24.2	-10.5	***	-43.4	**
Average total AFDC/TANF payments received, years 1-4 ($)	4,557	5,503	-946	***	-17.2	
Year 1	2,238	2,240	-2		-0.1	
Year 2	1,298	1,533	-235	***	-15.3	
Year 3	704	1,042	-337	***	-32.4	
Year 4	317	689	-372	***	-54.0	**
Average number of months receiving AFDC/TANF payments, years 1-4	17.0	19.1	-2.1	***	-11.2	
Percent receiving Food Stamps per quarter, years 1-4	64.8	65.1	-0.3		-0.5	
Year 1	82.1	82.2	0.0		0.0	
Year 2	67.7	69.9	-2.2		-3.2	
Year 3	58.1	57.4	0.8		1.4	
Year 4	51.2	51.1	0.1		0.3	
Average total value of Food Stamp payments received, years 1-4 ($)	7,446	8,137	-691	**	-8.5	
Year 1	2,410	2,625	-215	***	-8.2	
Year 2	1,913	2,189	-276	***	-12.6	
Year 3	1,652	1,789	-137		-7.6	
Year 4	1,471	1,535	-64		-4.1	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	31,191	28,997	2,194	**	7.6	**
Year 1	7,631	7,409	223		3.0	
Year 2	7,713	7,065	649	**	9.2	**
Year 3	7,881	7,092	790	**	11.1	**
Year 4	7,965	7,432	533		7.2	
Sample size	543	565				

(continued)

Table A.5 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: The sample includes sample members with children ages 5-12 at the time of the four-year interview who were randomly assigned from August 1994 to Februrary 1995.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across the respondent and non-respondent samples was statistically significant. The results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

may be more prevalent among welfare recipients who do not have the benefit of receiving a higher earnings disregard. Also, AFDC group members are subject to less intensive mandates; therefore, it is easier to work without reporting it. In the FTP study, AFDC group members were more likely to be on welfare at the time of interview than FTP group members. In addition, the AFDC group did not have the benefit of the higher earnings disregard that was available to the FTP group. Thus, these factors may have generated differences in reported employment rates between FTP and AFDC group members.

In fact, calculations from the FTP four-year client survey suggest that self-reported employment rates for the FTP group were 4.2 percentage points higher at the time of the survey compared with the AFDC group. This is not consistent with the employment impacts measured from the administrative records calculated for the same sample at the time of interview. According to the administrative records, FTP's impact on employment had decayed to zero by the time the survey was administered.

This section of the appendix explores this issue by comparing UI-reported and survey-reported employment separately for those receiving and those not receiving AFDC/TANF at the time of the survey interview.

Table A.6 tests the hypothesis that the survey employment impact might be due to underreporting by AFDC group members who are on welfare at the time of interview. In order to examine this question, survey respondents were stratified by welfare receipt in the quarter of interview. Within each stratum, employment and earnings were compared for the FTP and AFDC groups. For both earnings and employment, statistically significant differences between the research groups existed only among the respondents who were receiving welfare in the quarter of interview. This means that the AFDC group respondents who were not receiving welfare worked as much and earned the same amount as the FTP group. On the other hand, the AFDC group respondents who were receiving welfare worked and earned significantly less than the FTP group. This is because AFDC group members who were on welfare were less likely to report employment on the survey. Table A.6 shows that among those not receiving AFDC/TANF, UI-reported employment rates were higher than survey-reported employment rates for both the FTP and the AFDC groups. This is consistent with the fact that the UI records may not capture all jobs held by samples members. However, among those who were receiving AFDC/TANF, UI-reported employment rates were *higher*. This is especially true among AFDC group members who were receiving AFDC/TANF. Thus, overall differences in employment rates between FTP and AFDC groups were concentrated among those receiving AFDC/TANF and appear to be an artifact of some members of the AFDC group's not reporting employment that was reported on the UI records system.

In order to determine whether the differences between the strata are due to underreporting among AFDC members receiving welfare, the differences between UI and survey employment and earnings were compared between research groups within each stratum. Table A.6 also presents these results. There were statistically significant differences across strata between the data sources in terms of employment and earnings. Therefore, underreporting appears to have occurred for both earnings and employment.

Table A.6

Florida's Family Transition Program

Impacts on Earnings and Employment for Survey Sample Members, by Welfare Receipt

	Survey Sample			Survey Members Receiving AFDC in Quarter of Survey Interview			Survey Members Not Receiving AFDC in Quarter of Survey Interview		
	FTP Group	AFDC Group	Difference	FTP Group	AFDC Group	Difference	FTP Group	AFDC Group	Difference
Earnings ($)									
Average monthly UI earnings in quarter of interview	476	460	16	181	138	43	515	529	-14
Average earnings reported on survey for the month prior to interview	654	586	68 **	262	148	113 **	707	678	30
Average difference between UI and survey earnings	178	123	55 *	79	9	70 *	193	145	48
Employment (%)									
UI employment in quarter of interview	54.1	54.9	-0.8	33.6	35.1	-1.5	56.4	59.4	-3.0
Reported employment on survey at the time of interview	61.3	57.1	4.2 *	29.5	16.6	12.9 **	65.4	65.9	-0.5
Difference between UI and survey employment	7.3	2.2	5.0 **	-4.1	-18.5	14.4 **	9.0	6.5	2.5
Sample size	860	869		94	158		766	711	

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and the four-year client survey.

NOTES: Dollar averages include zero values for sample members who were not employed. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

II. Creation of Welfare Dependency Subgroups

As discussed in Chapter 3, FTP reduced welfare dependency, increased earnings, and slightly increased total income for the full report sample. Two key themes that have emerged from over 30 years of evaluations of welfare-to-work policies and programs are that the welfare population is quite diverse and that some groups of recipients benefit differently from these interventions than others. Thus, the aggregate results discussed in Chapter 3 mask the high degree of variation in the FTP report sample and the possibility that FTP may make a positive difference for some sample members but not for others. For example, income gains for some subgroups of individuals may be offset by losses for other subgroups. Of particular interest is how FTP affected those most at risk of welfare dependency. These individuals may have been particularly susceptible to adverse outcomes if they reached FTP's time limit without employment to offset their welfare losses.

An important challenge for this evaluation, therefore, has been to identify subgroups of the FTP report sample who, without exposure to FTP (that is, those in the AFDC group), were most likely to remain on the AFDC/TANF rolls without working. In order to assess the effect of FTP more sensitively, therefore, it was important to differentiate between sample members with different characteristics and prospects for long-term welfare dependency or self-sufficiency at the time they entered the study. Toward this end, therefore, subgroups were identified with three goals in mind: (1) using pre-random assignment characteristics associated with high rates of welfare receipt and low rates of employment; (2) maximizing the contrast in outcomes among the subgroups (particularly among those in the AFDC group); and (3) maximizing the sample size for each subgroup. This section describes the strategy used to define the welfare dependency subgroups discussed in this report.

A. Traditional Approach to Defining Subgroups: Risk-Factor Accumulation Strategy

The strategy most commonly used to define subgroups might be called *risk-factor accumulation*. It entails first identifying a list of background characteristics typically associated with an important outcome or with the manner in which the program treatment is likely to be delivered. A critical outcome for many welfare-to-work programs, particularly new initiatives like FTP that impose a time limit on AFDC/TANF receipt, is long-term dependency on welfare. As discussed further below, in the context of this evaluation, "welfare dependency" refers to an individual's propensity for remaining on welfare for long periods of time without a job. Previous research has indicated that several characteristics and prior experiences are likely to distinguish those who remain unemployed and/or on welfare for long periods of time. These include having several young children, having a history of prior welfare receipt, lacking a high school diploma or GED, and having little or no work experience. Using a risk-factor accumulation strategy, each sample member would be classified into a subgroup according to the number of these characteristics she possessed.

Risk-factor accumulation strategies were used in the previous reports from the FTP evaluation, and the results are reproduced in tables in Appendix B. For example, one set of subgroups (presented in Table B.5) was identified using three characteristics identified as severe barriers to employment: not having a high school diploma or GED, not having worked in the year prior to random assignment, and

having received AFDC/TANF for two years or more prior to random assignment. Those who possess all three of the employment barriers were characterized as being the most disadvantaged, and those with none of these barriers were characterized as being least disadvantaged.

This strategy has the appeal of being straightforward in execution, and it can be translated directly into a strategy for targeting individuals to receive special services. For example, if a particular intervention were found to be particularly effective for individuals in the most disadvantaged subgroup, program administrators might wish to ensure that individuals with all three of the risk characteristics be given the highest priority for services.

At the same time, the accumulation strategy has several important limitations. First, such an analysis gives equal weight to each of the risk-related background characteristics. As a result, it does not account for the fact that some characteristics are more highly associated with dependency than others. Second, this strategy does not account for the possibility that, given the same number of risk factors, different combinations of characteristics may indicate different degrees of risk for long-term dependency. Third, it also does not account for the fact that some characteristics are associated with success and may offset the risk associated with other characteristics. For example, some people with a long history of welfare receipt and little recent work experience may also have older children (and would be less in need of care arrangements) and some skills from a job they held before having children. These people may be less likely to be longer-term welfare dependent because the prior welfare history may be "offset," in part, by the fact that they are at a stage in their lives when they are better able to work.

A related limitation of the accumulation strategy is that it is based on categorical variables and, therefore, is unable to take advantage of more or less subtle distinctions among sample members that may be captured by continuous variables. For example, individuals who worked for only one or two weeks during the year prior to random assignment would be classified as having prior work experience, as would those who worked continuously throughout the year. Finally, the risk-factor accumulation strategy may yield very small subgroups if relatively few sample members possess all or most of the highly specified characteristics.

Because it does not allow for a more complex set of relationships between background characteristics and outcomes, the simple risk-factor accumulation strategy may fail to produce sufficiently large subgroups with distinctly different trajectories. Therefore, in order to distinguish more effectively and efficiently among sample members who, in the absence of the program, would have experienced distinctly different outcomes, the FTP evaluation employed an alternative strategy for identifying subgroups, as described in the next section.

B. Regression-Based Subgroup Strategy

The *regression-based subgroup strategy* for identifying welfare dependency subgroups for this report involved four steps. The first three steps included operationally defining welfare dependency; identifying background characteristics that are empirically related to this measure of welfare dependency; and using multiple regression to generate empirical estimates of the relationship between the background characteristics and the welfare dependency measure.

It is important to note that the data set used for the analyses in these three steps was not used in the subgroup impact analysis. It consisted of a later cohort of 375 individuals assigned to FTP's AFDC group between November 1995 and October 1996. This is referred to as the "regression-modeling sample." Recall that the impact analysis is based on those who entered the study sample between May 1994 and February 1995. Even though this sample was drawn from the FTP evaluation, it has important compositional differences. Specifically, the regression-modeling sample has a far higher proportion of new applicants to AFDC than the report sample. In order to account for this, random sampling from the regression-modeling sample was used to ensure that its proportion of applicants is similar to that in the report sample.

The fourth step in the regression-based strategy involved using the estimates generated in the modeling sample to create an index for those in the report sample that indicated their propensity toward long-term dependency. This index was then used to divide the report sample into subgroups with a high, medium, and low propensity toward welfare dependency. Following is a brief description of each step in the process.

Step 1: Operationally Defining Long-Term AFDC Dependency. This step involved defining an outcome variable that captured the risk-related behavior effectively. As noted above, for the purposes of this analysis, long-term welfare dependency was defined as continuing to receive AFDC/TANF for long periods of time without being employed. To capture this construct, a variable was created that calculated the number of months of AFDC/TANF receipt during a three-year follow-up period *minus* the number of months employed during that period.[5] This means that the value of the welfare dependency indicator ranged from 36 for those who received AFDC for 36 months without ever working to minus 36 for those who worked throughout the follow-up period but never received AFDC. Those at the positive end of the scale would be highly welfare dependent while those at the negative end would be least welfare dependent or highly self-sufficient.

Those with scores near zero on this indicator include both those who neither worked nor received AFDC/TANF and those who worked and received AFDC/TANF for approximately equal periods of time during the follow-up period. For example, an individual who worked 20 months and received welfare for 20 months received the same score as someone who never worked and never received AFDC.

Step 2: Identifying Relevant Background Characteristics. The second step in the regression-based strategy for defining subgroups was to identify background characteristics that are highly correlated with the indicator of welfare dependency described above. For the FTP subgroup analysis, these characteristics were chosen through exploratory analyses of the empirical linkages between a list of approximately 30 candidate background characteristics and the long-term dependency measure. The characteristics were chosen based on several considerations. The most important criterion was the

[5]For the FTP evaluation, UI earnings data only are available in quarterly increments. "Months" of employment were imputed based on earnings in a quarter. Specifically, those who earned $1,800 or more in a quarter were imputed to have worked three months; those who earned between $1,200 and $1,800 were imputed to have worked two months; and those who earned more than $0 but less than $1,200 were imputed as having worked one month.

strength and robustness of the correlation between a given variable (controlling for other factors) and the long-term dependency outcome in the regression-modeling sample.

Variables were entered into regression models in "blocks" (that is, groups of related characteristics) on the basis of previous theoretical work. The first set included variables measuring the pre-random assignment welfare receipt and employment behavior of sample members. They were deemed the most logical with which to begin based on extensive prior research demonstrating the strength of using past welfare and employment experiences to predict future welfare receipt and employment. The next block of variables measured demographic characteristics such as age, race/ethnicity, and the age of a sample member's youngest child. This was followed by a set of variables that captured educational attainment. Finally, a set of miscellaneous variables (shown to be moderately predictive of welfare dependency) was entered.

The process resulted in identifying six variables that were found to have relatively strong and independent power for predicting long-term welfare dependency in the regression-modeling sample. All but one of these variables were ultimately included based on the strength and robustness of their empirical relationship with the outcome. The exception was that the educational attainment variable (possessing a high school diploma or GED prior to random assignment) was kept on theoretical rather than empirical grounds. Following is a description of the six variables used in the regression-based strategy for this report:

- whether the sample member received any AFDC/TANF payments in the quarter prior to random assignment;
- the total number of months the sample member received AFDC/TANF payments during the two years prior to random assignment;
- whether the sample member had any UI-reported earnings in the quarter prior to random assignment;
- the total number of months the sample member worked during the two years prior to random assignment;
- whether the sample member had a high school diploma or GED at the time of random assignment; and
- the age of the sample member's youngest child at the time of random assignment.

Step 3: Estimating the Empirical Relationship Between Background Characteristics and the Welfare Dependency Measure. Table A.7 presents the results of this regression analysis. The first column of parameter estimates reflects the relationship between the risk outcome and a unit change in the background characteristics. Numbers in the second column are standardized to reflect the relationship between the risk outcome and a *standard deviation* change in the background characteristics. As the table suggests, all but one of the characteristics included in this regression model are statistically significant and are related to the probability that sample members would become long-term welfare dependent as defined above. The standardized version of the parameter estimates, however, indicates

that the number of months of prior welfare receipt and the number of months employed prior to random assignment are the most heavily weighted factors in the model. By contrast, having a high school diploma or working even minimally in the quarter prior to random assignment are less important predictors than the more cumulative measures of prior welfare receipt and employment. Thus, some sample members who may be at the highest risk for long-term welfare dependency may also have high school diplomas and even some minimal work experience.

Table A.7

Florida's Family Transition Program

Relationship Between Baseline Characteristics and the Probability of Being Long-Term Dependent Among Individuals in the Regression-Modeling Sample

	Coefficients	
Baseline Characteristic	Unstandardized	Standardized
Intercept	-1.96	0.00
Ever received AFDC in prior quarter	4.30	0.12 *
Number of months of AFDC receive prior to RA	0.46	0.25 ***
Worked in prior quarter	-3.50	-0.10 *
Number of months employed prior to RA	-0.82	0.22 ***
No high school diploma or GED	2.61	0.07
Age of youngest child	-0.61	-0.14 **
R squared	0.33	
Sample size	375	

Step 4: Applying the Regression Estimates to the Report Sample to Create the Risk Index. As noted above, the regression-modeling sample was used to identify background characteristics that best predict long-term welfare dependency and to generate the parameter estimates for the regression model for that relationship. The final step in the regression-based strategy for identifying subgroups involves applying the coefficients from this regression model to the associated background characteristics for each individual in the report sample. In other words, the coefficient estimates from the regression are used as weights multiplied by the relevant measured background characteristics of each individual. The weighted sum of these characteristics yields an index indicating the probability of being long-term dependent. This is referred to as the *risk index*, and it provides a basis for ranking sample members according to the predicted probability that they would become long-term dependent.

The FTP and AFDC group members were then divided into three subgroups based on the risk index. Following is a brief definition of each of the three risk subgroups.

- **The most at-risk subgroup:** the sample members in the FTP and AFDC groups with the combination of characteristics yielding scores at or above the 75th percen-

tile of scores on the risk index (that is, those with the highest likelihood of long-term dependency)

- **The least at-risk subgroup:** the sample members in the FTP and AFDC groups with the combination of characteristics yielding scores at or below the 25th percentile of scores on the risk index (that is, those with the lowest likelihood of long-term dependency)

- **The medium-risk subgroup:** the remaining sample members in the FTP and AFDC groups (approximately 50 percent of the study sample) with a mix of characteristics yielding scores between the 25th and 75th percentiles on the risk index (that is, indicating they were not particularly likely to become long-term dependent but were not necessarily self-sufficient)[6]

C. Characteristics of Welfare Dependency Subgroups

Table A.8 shows various background characteristics of report sample members in each of the three welfare dependency subgroups. As expected, the subgroups differed dramatically on the background characteristics used in the regression-based subgroup strategy. For example, those in the least at-risk group received AFDC payments on average less than 4 out of 24 months prior to random assignment. By contrast, those in the most at-risk group received AFDC in nearly 23 out of 24 months prior to random assignment. It is also evident from Table A.8 that those in the most at-risk group had far less work experience prior to random assignment than those in the least at-risk group.

Table A.8 also shows, however, that the subgroups also differed on factors that are not included in the model. For example, those in the most at-risk subgroup received far higher Food Stamp amounts, had younger children, and are more likely to be nonwhite. Interestingly, sample members in the most at-risk subgroup and the least at-risk subgroup had similar levels of total income prior to random assignment. Differences in the mix of income derived from earnings and welfare, however, were particularly dramatic. Finally, as discussed in Chapter 3, the AFDC group from each of the three subgroups exhibited dramatic differences in outcome measures during the follow-up period. In short, overall the regression-based strategy appears to have yielded subgroups that comprised at least 25 percent of the report sample and reflected significant variation in background characteristics and outcomes for the AFDC group.

It is also important to note that, because these characteristics were measured prior to sample members' random assignment to the FTP and AFDC groups, they are *exogenous* to the program treatment. In other words, while the background characteristics used to create the subgroups were correlated with the likelihood of dependency, these characteristics did not influence the selection of sample members into the FTP group. An important question for such an impact analysis is whether, within each subgroup, the random assignment research design is preserved. In other words, are there systematic differences between the background characteristics of the FTP and AFDC group members *within* each subgroup? To test this, a set of background characteris-

[6]The 25th and 75th percentile cutoffs were based on the distribution of the risk index separately for FTP and AFDC group members.

Table A.8

Florida's Family Transition Program

Demographic and Background Characteristics, by Welfare Dependency Subgroups

Characteristic	Full Sample	Welfare Dependency Subgroups: Least at Risk	Medium Risk	Most at Risk
Average age (years)	29.7	32.2	28.7	28.9
Race/ethnicity (%)				
Black	51.8	41.0	52.5	61.3
White	45.4	56.2	45.0	35.1
Other	2.8	2.8	2.5	3.5
Married and living apart, separated, or divorced	49.7	66.7	47.2	37.5
Average age of youngest child (years)	5.2	7.8	4.8	3.2
Moved from out of state	20.8	21.2	28.2	5.5
No high school diploma/GED (%)	39.4	20.9	39.7	57.3
Employment history				
Ever employed in year prior to RA (%)	46.7	80.7	44.8	16.7
Earnings in year prior to RA ($)	1,818	5,565	796	107
Months employed in two years prior to RA	3.3	9.7	1.6	0.2
Welfare history				
Received AFDC in quarter prior to RA (%)	62.5	18.7	65.6	100.0
AFDC payments in year prior to RA ($)	1,907	388	1,733	3,774
Months of welfare receipt in two years prior to RA	12.3	3.6	11.5	22.7
Welfare history - self-reported (%)				
First-time applicant	11.6	27.1	9.5	0.1
1 month to 2 years	35.2	45.1	41.3	13.5
2 years or more	53.2	27.8	49.2	86.4
Food Stamp payments in year prior to RA ($)	2,084	1,032	1,948	3,406
Total income from earnings, AFDC/TANF, and Food Stamp payments in year prior to RA ($)	5,809	6,985	4,477	7,287
Combinations of employment barriers				
No employment barriers	16.0	48.0	13.0	0.9
One or two employment barriers	65.2	50.7	75.6	59.2
All three employment barriers	18.8	1.3	11.3	39.9
FTP group time-limit status				
Time limit assigned (%)				
24 months	55.8	87.0	56.2	24.1
36 months	44.2	13.0	43.8	75.9
Status at the end of the follow-up period				
Hit time limit	16.9	8.8	16.1	26.4
Exempted	7.2	3.7	6.4	12.2
Sample size	2,815	705	1,405	705

(continued)

Table A.8 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, Food Stamp records, and Background Information Forms (BIF) for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Tests of statistical significance across subgroups were not performed.

The AFDC dependency index is based on prior quarter employment, total number of months employed prior to random assignment, whether a sample member received AFDC in the quarter prior to RA, total number of months of AFDC received prior to RA, the age of youngest child, and whether a sample member had a high school diploma or GED at baseline.

"Most at risk" sample members are those whose risk score is in the top quartile of the distribution of the dependency index.

"Least at risk" sample members are those whose risk score is in the bottom quartile of the distribution of the dependency index.

"Medium risk" sample members are those whose risk score falls in the interquartile range of the dependency index.

"Combinations of employment barriers" are based on AFDC history, prior employment, and whether the sample member has a high school diploma/GED. Those having "All three employment barriers" were on welfare two years or more prior to random assignment, had no prior work, and no high school diploma/GED.

Sample members in the "No employment barriers" group were not long-term welfare recipients, had prior work experience, and had a high school diploma or GED. Those in the "One or two employment barriers" group have some, but not all, of the accumulation risk factors.

tics is regressed against a dummy variable indicating whether the sample member was assigned to the FTP group. This regression revealed that there are no significant differences between the background characteristics of FTP and AFDC group sample members within each subgroup. F-tests failed to reject the hypothesis that there are no overall systematic differences between the background characteristics of the FTP and AFDC group members. This suggests that the random assignment research design was preserved within each subgroup. In other words, the existing differences are not greater than those that would be expected to occur by chance.

D. Strengths and Limitations of the Regression-Based Approach

There are several important advantages to the regression-based strategy for defining subgroups. First, it incorporates factors that are both conceptually *and empirically* related to individuals' risk of dependency. At the same time, this approach incorporates the fact that the relationships between "risk factors" and outcomes vary, depending on the background characteristic. For example, the coefficient estimates suggest that the effect of the age of youngest child is at least twice as large as the effect of a having a high school diploma. Basing the subgroup definitions on these relationships allows these differences to be factored into the classification of sample members into the three risk subgroups. Such distinctions are not possible using traditional "accumulation" strategies.

Moreover, the regression-based strategy is capable of incorporating variation across sample members along continuous variables such as the age of a sample members' youngest child and the number of months of welfare received prior to random assignment. Less flexible strategies that fail to incorporate these factors would not be as effective at distinguishing among sample members at different levels of risk. The regression-based subgroup strategy captures such variation and incorporates it into the assessment of each individual's risk of long-term dependency.

A third, particularly important strength of the regression-based strategy is that it effectively identifies individuals with distinct risk trajectories while creating groups with large sample sizes. It allows one to examine impacts in a far more continuous manner across subgroups (for example, across deciles of the risk index). As shown in Table 3.5, the risk subgroups succeeded in creating groups with distinct outcomes. The regression-based strategy is quite effective at differentiating among sample members with different degrees of welfare dependency. Moreover, these groups are much larger than the groups created by some of the accumulation strategies. For example, as seen in Appendix Table B.5, the subgroup having all three barriers to employment (the analogue of the "most at-risk group") has only 436 sample members, or approximately 15 percent of the FTP analysis sample. In comparison, the most at-risk group created using the regression-based subgroup strategy is composed of 705 sample members, or 25 percent of the FTP analysis sample. This larger sample size allows one to have greater confidence in impact estimates and permits useful subgroup analyses in key subsamples (such as the child survey sample).

While the regression-based strategy has many advantages over an accumulation strategy, it has some potentially important limitations. First, although it is more systematic, it is also less straightforward than the accumulation strategy in terms of the manner by which subgroups of sample members might be identified by program administrators. In particular, to the extent that these subgroup findings might be used to target program resources toward particular individuals, the subgroups defined using the regres-

sion-based strategy might be more difficult to identify than subgroups based on a simple accumulation approach. While it is unclear that the implications of the findings from this particular study suggest that targeting would be advantageous, such thinking may be a factor when applying this strategy to the study of programs in which the implications of targeting are less ambiguous.

Although it is not discussed in this appendix, the regression-based approach can be applied in a practical way and may, in fact, be a more systematic way of targeting resources toward sample members most likely to benefit from them. For example, this type of approach has been used in research designed to develop approaches for the targeting of benefits and associated employment services to workers eligible for unemployment insurance as well as for targeting employment resources to individuals in other welfare-to-work programs. In particular, several of these programs have used historical data to estimate the relationship between background characteristics and policy-relevant outcomes, and then to combine these estimates with individual characteristics in order to predict outcomes and target services. This has been done in unemployment programs in Michigan, New Jersey, and Washington (O'Leary, Decker, and Wandner, 1997).

In general, a more important *potential* limitation of a regression-based subgroup strategy is related to the manner in which the strategy identifies background characteristics and generates weights relating background characteristics to welfare dependency. In short, theoretically, the strategy has the potential to overspecify the prediction of welfare dependency in the AFDC group relative to the expected prediction in the particular FTP group used in the impact analysis. In other words, to the extent that the regression coefficients used to create the welfare dependency index were uniquely fit to the AFDC group used in the impact analysis, they would be less well suited as predictors in the FTP group. This could result in overstating FTP's impact on outcomes that were highly correlated with the welfare dependency indicator (most importantly, welfare receipt and employment). For the FTP impact analysis, however, this potential problem was avoided by using an external sample (that is, a sample of AFDC group members who were not included in the impact analysis) to identify background characteristics and regression coefficients in the regression-based subgroup strategy.

While modeling from an external sample negated the possibility of biasing the impact analysis, this came at the expense of some predictive power. In particular, because the modeling sample was not drawn from the population of control group members in the analysis sample, there were differences in the distribution of background characteristics and outcomes. As expected, this meant that the welfare dependency index generated from the regression-modeling sample did not yield as much contrast among the subgroups in the report sample.[7]

Another potential limitation of the regression-based subgroup strategy for the FTP sample is that the medium-risk group is highly heterogeneous. This is due to the measure that was used to define welfare dependency. As noted above, an individual who worked 20 months and received welfare for 20

[7]In the modeling process, it became apparent that it is difficult to generalize parameter estimates and even variable selection across samples due to contextual differences across space (geographical location of sample), time (economic policy environment/policy implementation), and sample composition. Therefore, it is important to draw a modeling sample that is as contextually proximate to the analysis sample as possible.

months received the same welfare-dependency indicator as someone who never worked and never received AFDC. Both of these individuals would likely fall into the medium-risk subgroup according to the index. Nonetheless, they have quite different propensities toward work and welfare receipt. In particular, the medium-risk group ended up including a mix of individuals who combined work and welfare and those had no income from AFDC/TANF, Food Stamps, or earnings. This latter group may be an artifact of tracking and data collection problems due to incorrect Social Security numbers or interstate mobility. Such problems also are likely to account for the fact that the medium-risk group had lower total income levels than either the most at-risk or the least at-risk subgroup.

A final limitation of this strategy is related to the heavy weight given to prior welfare receipt and employment history. This strategy is unable to properly classify sample members who have a "high-risk profile" in some ways but, for whatever reason, would not have received a lot of welfare on the administrative records. For example, sample members who moved in from out of state would likely end up in the medium-risk group (since they might have a score close to zero on the risk index), while other risk characteristics might suggest a high probability of welfare dependency. This partially explains the lack of a seamless overlap between the accumulation and regression subgroups discussed in Chapter 3. A substantial proportion of those with all three accumulation barriers, who were not in the group most at risk of long-term dependency, had moved from out of state close to random assignment. Another possibility is that sample members may have a high-risk profile but be too young (or have oldest children who are too young) to have accumulated a substantial welfare history.

Despite these potential limitations, the regression-based subgroup strategy yielded highly distinct subgroups with large sample sizes that allowed this study to address several important policy questions more directly and efficiently.

Table A.9

Florida's Family Transition Program

Attitudes and Opinions of the FTP Group and the AFDC Group at the Time of Random Assignment

Attitude or Opinion	FTP Group	AFDC Group
Client-reported barriers to employment		
Among those not currently employed, percentage who agreed or agreed a lot that they could not work part time right now for the following reasons:[a]		
No way to get there every day	43.7	41.8
Cannot arrange for child care	49.0	48.8
A health or emotional problem, or a family member with a health or emotional problem	23.9	22.2
Too many family problems	24.1	23.1
Already have too much to do during the day	15.4	17.0
Any of the above five reasons	72.3	71.9
Client-reported expectations regarding employment		
Percentage of clients who would likely or very likely take a job that could support their family a little better than welfare if:		
Client didn't like the work	70.4	71.1
Client had to work at night once in a while	76.3	77.4
The job was in a fast-food restaurant like McDonald's	50.5	48.2
It took more than an hour to get there	41.5	39.7
Percentage who agreed or agreed a lot that:		
It will probably take them more than a year to get a full-time job and get off welfare	46.6	47.3
They would take a full-time job today, even if the job paid less than welfare	38.5	37.6
If they got a job, they could find someone they trusted to take care of their children	78.0	77.8
A year from now they expect to be working	89.9	88.8
A year from now they expect to be receiving welfare	15.1	16.4
Client-reported attitudes toward welfare		
Percentage who agreed or agreed a lot with the following statements:		
I feel that people look down on me for being on welfare	45.2	44.9
I am ashamed to admit to people that I am on welfare	39.4	40.0
Right now, being on welfare provides for my family better than I could by working	40.9	39.4
I think it is better for my family that I stay on welfare than work at a job	9.7	10.7

(continued)

Table A.9 (continued)

Attitude or Opinion	FTP Group	AFDC Group
Client-reported social support network		
Percentage who agreed or agreed a lot with the following statements:		
Among my family, friends, and neighbors, I am one of the few people on welfare	32.8	31.9
When I have trouble or need help, I have someone to talk to	77.1	77.8
Client-reported sense of efficacy		
Percentage who agreed or agreed a lot with the following statements:		
I have little control over the things that happen to me	24.4	23.1
I often feel angry that people like me never have a chance to succeed	39.2	38.8
Sometimes I feel that I'm being pushed around in life	45.8	43.1
There is little I can do to change many of the important things in my life	27.7	28.8
Sample size	1,304	1279

SOURCE: MDRC calculations from Private Opinion Survey (POS) data for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: A total of 234 sample members who chose not to fill out a POS are not included in the table.

In most item groupings, individuals could agree or agree a lot with more than one statement in the grouping. Therefore, percentages may add up to more than 100.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]Part time is defined as a minimum of 10 hours per week.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. None of the tests above were statistically significant.

Table A.10

Florida's Family Transition Program

Selected Characteristics of the FTP Group and the AFDC Group at the Time of Random Assignment

Characteristic	FTP Group	AFDC Group	
Demographic characteristic			
Gender (%)			
Female	97.5	96.8	
Male	2.5	3.2	
Age (%)			
Under 20	8.1	6.2	*
20-24	24.9	25.4	
25-34	44.9	44.5	
35-44	18.8	20.6	
45 and over	3.2	3.4	
Average age (years)	28.9	29.3	
Ethnicity (%)			
White, non-Hispanic	44.5	46.2	
Black, non-Hispanic	52.2	51.4	
Hispanic	1.5	0.7	**
Other	1.7	1.7	
Family status			
Marital status (%)			
Never married	49.8	48.9	
Divorced	20.0	19.5	
Average number of children	2.0	2.0	
Age of youngest child (%)			
2 years and under[a]	42.4	42.5	
3-5 years	27.1	25.6	
6 years and over	30.6	31.9	
Work history			
Ever worked (%)	90.9	90.6	
Ever worked full time for 6 months or more for one employer (%)	59.7	60.4	
Approximate earnings in past 12 months (%)			
$0	52.9	54.7	
$1-$999	20.0	18.3	
$1,000-$4,999	17.3	13.8	**
$5,000-$9,999	6.4	8.8	**
$10,000 or more	3.4	4.4	
Among those currently employed, average hourly wage ($)	5.0	4.9	

(continued)

Table A.10 (continued)

Characteristic	FTP Group	AFDC Group	
Educational status			
Highest grade completed in school (average)	11.0	11.1	*
Highest degree/diploma earned (%)			
GED[b]	10.2	9.9	
High school diploma	43.0	45.4	
Technical/2-year college degree	5.3	5.7	
4-year (or more) college degree	0.9	0.9	
None of the above	40.7	38.1	
Enrolled in education or training during the past 12 months (%)	23.8	23.0	
Public assistance status			
Aid status (%)			
Applicant	52.6	50.8	
Recipient	47.4	49.2	
Total prior AFDC receipt[c] (%)			
None	12.2	12.2	
Less than 4 months	6.1	4.7	
4 months or more but less than 1 year	16.1	14.1	
1 year or more but less than 2 years	14.5	14.5	
2 years or more but less than 5 years	24.7	25.8	
5 years or more but less than 10 years	16.8	18.2	
10 years or more	9.8	10.4	
Resided as a child in a household receiving AFDC (%)	20.0	18.1	
Imputed time limit (%)[d]			
24 months	58.0	58.1	
36 months	42.0	41.9	
Current housing status (%)			
Public housing	7.5	6.7	
Subsidized housing	16.3	16.2	
Emergency or temporary housing	5.6	4.0	*
None of the above	70.6	73.1	
Sample size	1,371	1,367	

(continued)

Table A.10 (continued)

SOURCE: MDRC calculations from Background Information Forms (BIF) for single-parent cases randomly assigned from May 1994 through February 1995.

NOTES: A total of 79 sample members whose Background Information Forms were missing are not included in the table.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]This category includes sample members who were pregnant at the time of random assignment.

[b]The GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

[c]This refers to the total number of months accumulated from one or more periods on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

[d]Sample members are imputed to have a 36-month time limit for the purpose of this analysis if the data reported on the BIF indicate that they received AFDC for 36 of the 60 months prior to enrollment in FTP, or received AFDC for five or more years on their own or their spouse's AFDC case, or were under 24 years old and did not have a high school diploma or GED, or were 24 years old and had worked fewer than three months in the year prior to enrollment in FTP. Otherwise, sample members were imputed to have a 24-month time limit.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix B

Supplementary Tables to Chapter 3

Table B.1

Florida's Family Transition Program

Four-Year Impacts on Employment, Earnings, AFDC/TANF Receipt, AFDC/TANF Payments, Food Stamp Receipt, and Value of Food Stamps Received, by Quarter

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Ever employed, years 1-4 (%)	84.1	82.4	1.8	2.1
Year 1	62.1	58.3	3.8 **	6.5
Year 2	66.5	59.9	6.5 ***	10.9
Year 3	67.6	60.3	7.3 ***	12.1
Year 4	63.4	62.4	1.0	1.6
Quarter of random assignment	35.5	34.1	1.3	3.9
Quarter 1	37.9	37.5	0.4	1.0
Quarter 2	41.8	39.2	2.5	6.4
Quarter 3	44.3	39.8	4.5 ***	11.4
Quarter 4	45.2	40.8	4.3 **	10.6
Quarter 5	47.0	41.1	5.9 ***	14.3
Quarter 6	49.2	41.9	7.3 ***	17.5
Quarter 7	49.8	45.2	4.6 ***	10.2
Quarter 8	52.8	44.5	8.3 ***	18.7
Quarter 9	52.4	45.3	7.1 ***	15.6
Quarter 10	50.8	44.2	6.7 ***	15.1
Quarter 11	51.2	44.5	6.7 ***	15.1
Quarter 12	51.1	44.6	6.5 ***	14.6
Quarter 13	51.0	46.3	4.7 ***	10.2
Quarter 14	49.0	48.4	0.5	1.1
Quarter 15	49.2	48.2	1.1	2.2
Quarter 16	49.8	49.1	0.8	1.6
Quarter 17	47.7	48.6	-1.0	-2.0
Quarter 18	48.0	49.7	-1.7	-3.4
Average number of quarters employed years 1-4 (%)	7.7	7.0	0.7 ***	10.3
Year 1	1.7	1.6	0.1 **	7.5
Year 2	2.0	1.7	0.3 ***	15.1
Year 3	2.1	1.8	0.3 ***	15.1
Year 4	2.0	1.9	0.1	3.7
Average total earnings, years 1-4 ($)	16,666	14,288	2,378 ***	16.6
Year 1	2,758	2,519	240 *	9.5
Year 2	3,939	3,278	661 ***	20.2
Year 3	4,762	3,852	910 ***	23.6
Year 4	5,207	4,640	567 **	12.2

(continued)

Table B.1 (continued)

Outcome	FTP Group	AFDC Group	Difference		Percentage Change
Quarter of random assignment	428	400	28		7.0
Quarter 1	522	521	2		0.3
Quarter 2	653	607	47		7.7
Quarter 3	764	676	89	**	13.1
Quarter 4	818	716	103	**	14.4
Quarter 5	893	745	148	***	19.9
Quarter 6	945	782	164	***	21.0
Quarter 7	1,014	872	142	***	16.3
Quarter 8	1,087	880	207	***	23.5
Quarter 9	1,158	928	230	***	24.8
Quarter 10	1,143	952	191	***	20.1
Quarter 11	1,210	988	222	***	22.5
Quarter 12	1,252	985	267	***	27.1
Quarter 13	1,341	1,094	247	***	22.6
Quarter 14	1,241	1,145	97		8.5
Quarter 15	1,297	1,211	86		7.1
Quarter 16	1,327	1,191	136	**	11.4
Quarter 17	1,292	1,245	47		3.8
Quarter 18	1,345	1,328	16		1.2
Ever received any AFDC/TANF payments, years 1-4 (%)	84.5	83.7	0.8		0.9
Year 1	81.9	81.1	0.8		1.0
Year 2	57.7	56.4	1.3		2.3
Year 3	37.8	42.7	-4.9	***	-11.4
Year 4	19.9	31.5	-11.6	***	-36.8
Quarter of random assignment	79.7	76.5	3.2	**	4.1
Quarter 1	78.7	76.9	1.8		2.3
Quarter 2	70.1	67.3	2.8	*	4.2
Quarter 3	61.2	58.9	2.3		3.9
Quarter 4	56.6	54.4	2.2		4.1
Quarter 5	50.7	49.8	0.9		1.8
Quarter 6	46.1	47.2	-1.2		-2.4
Quarter 7	41.2	42.2	-0.9		-2.2
Quarter 8	36.5	38.6	-2.1		-5.4
Quarter 9	30.6	36.1	-5.5	***	-15.3
Quarter 10	27.1	33.1	-6.1	***	-18.3
Quarter 11	23.8	31.0	-7.2	***	-23.3
Quarter 12	19.2	27.9	-8.8	***	-31.4
Quarter 13	13.3	24.3	-11.0	***	-45.2
Quarter 14	12.3	21.3	-9.0	***	-42.4
Quarter 15	11.5	19.2	-7.7	***	-40.2
Quarter 16	10.5	17.8	-7.4	***	-41.2
Quarter 17	9.7	16.5	-6.9	***	-41.6
Quarter 18	8.1	14.0	-6.0	***	-42.5

(continued)

Table B.1 (continued)

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Average number of months receiving AFDC/TANF payments, years 1-4	15.4	17.1	-1.7 ***	-9.9
Year 1	7.3	7.0	0.3 *	3.6
Year 2	4.6	4.7	-0.2	-3.9
Year 3	2.4	3.3	-0.9 ***	-26.3
Year 4	1.1	2.0	-0.9 ***	-44.9
Average total AFDC/TANF payments received, years 1-4 ($)	3,987	4,698	-711 ***	-15.1
Year 1	1,981	1,990	-9	-0.5
Year 2	1,152	1,288	-136 ***	-10.6
Year 3	581	870	-289 ***	-33.2
Year 4	272	549	-277 ***	-50.4
Quarter of random assignment	580	557	23 **	4.1
Quarter 1	609	597	12	2.0
Quarter 2	521	522	0	0.0
Quarter 3	449	452	-3	-0.8
Quarter 4	401	419	-18	-4.3
Quarter 5	355	376	-21	-5.6
Quarter 6	315	342	-27 *	-7.9
Quarter 7	264	298	-34 **	-11.5
Quarter 8	219	273	-54 ***	-19.7
Quarter 9	181	253	-73 ***	-28.7
Quarter 10	158	228	-70 ***	-30.7
Quarter 11	136	209	-73 ***	-34.8
Quarter 12	106	180	-74 ***	-41.1
Quarter 13	76	160	-84 ***	-52.3
Quarter 14	72	142	-71 ***	-49.6
Quarter 15	67	125	-58 ***	-46.7
Quarter 16	58	121	-64 ***	-52.6
Quarter 17	52	104	-52 ***	-50.2
Quarter 18	49	94	-45 ***	-48.1
Ever received any Food Stamp payments, years 1-4 (%)	90.9	90.6	0.3	0.3
Year 1	89.0	88.6	0.4	0.5
Year 2	69.6	71.0	-1.4	-2.0
Year 3	58.6	71.0	-0.5	-0.8
Year 4	48.8	59.1	-2.0	-4.0

(continued)

Table B.1 (continued)

Outcome	FTP Group	AFDC Group	Difference		Percentage Change
Quarter of random assignment	88.1	86.2	1.9	*	2.2
Quarter 1	86.8	86.5	0.3		0.3
Quarter 2	78.5	78.0	0.5		0.6
Quarter 3	71.8	71.3	0.6		0.8
Quarter 4	68.6	68.3	0.2		0.3
Quarter 5	64.3	65.3	-1.0		-1.5
Quarter 6	61.4	61.7	-0.3		-0.4
Quarter 7	57.6	58.8	-1.2		-2.0
Quarter 8	55.2	56.4	-1.3		-2.2
Quarter 9	52.0	52.3	-0.3		-0.6
Quarter 10	50.5	49.1	1.4		2.8
Quarter 11	47.0	47.2	-0.2		-0.3
Quarter 12	44.3	46.8	-2.5		-5.3
Quarter 13	42.7	43.6	-0.9		-2.1
Quarter 14	41.9	41.9	0.1		0.1
Quarter 15	38.5	39.7	-1.2		-2.9
Quarter 16	36.9	37.4	-0.6		-1.5
Quarter 17	35.3	36.7	-1.0		-3.7
Quarter 18	32.2	34.1	-1.9		-5.6
Average number of months receiving Food Stamp payments, years 1-4	24.6	24.8	-0.2		-0.9
Year 1	8.5	8.5	0.0		0.2
Year 2	6.5	6.6	-0.1		-1.4
Year 3	5.3	5.3	-0.1		-1.1
Year 4	4.3	4.4	-0.1		-1.8
Average total value of Food Stamp payments received, years 1-4 ($)	6,121	6,621	-499	***	-7.5
Year 1	2,129	2,292	-163	***	-7.1
Year 2	1,617	1,792	-174	***	-9.7
Year 3	1,291	1,416	-125	**	-8.8
Year 4	1,084	1,122	-37		-3.3
Quarter of random assignment	591	600	-9		-1.5
Quarter 1	620	658	-38	***	-5.8
Quarter 2	547	582	-35	***	-6.0
Quarter 3	499	531	-32	**	-6.0
Quarter 4	463	520	-58	***	-11.1
Quarter 5	437	488	-51	***	-10.4
Quarter 6	418	463	-45	***	-9.8
Quarter 7	392	432	-41	***	-9.4
Quarter 8	371	408	-38	**	-9.3
Quarter 9	349	385	-35	**	-9.2
Quarter 10	332	355	-24		-6.6
Quarter 11	314	344	-30	**	-8.6
Quarter 12	296	332	-36	**	-10.9
Quarter 13	286	304	-19		-6.2
Quarter 14	274	285	-10		-3.7
Quarter 15	266	267	-1		-0.5
Quarter 16	258	265	-7		-2.6
Quarter 17	244	265	-21		-7.9
Quarter 18	228	251	-23		-9.2

(continued)

Table B.1 (continued)

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	26,774	25,606	1167 *	4.6
Year 1	6,868	6,801	67	1.0
Year 2	6,709	6,358	351 *	5.5
Year 3	6,634	6,358	496 **	8.1
Year 4	6,563	6,310	253	4.0
Quarter of random assignment	1,599	1,557	42	2.7
Quarter 1	1,752	1,776	-25	-1.4
Quarter 2	1,722	1,710	11	0.7
Quarter 3	1,712	1,659	53	3.2
Quarter 4	1,682	1,655	27	1.6
Quarter 5	1,685	1,609	77	4.8
Quarter 6	1,678	1,587	92 *	5.8
Quarter 7	1,669	1,602	67	4.2
Quarter 8	1,677	1,561	116 **	7.4
Quarter 9	1,688	1,566	122 **	7.8
Quarter 10	1,633	1,535	98 *	6.4
Quarter 11	1,660	1,540	120 *	7.8
Quarter 12	1,654	1,496	157 **	10.5
Quarter 13	1,703	1,558	145 **	9.3
Quarter 14	1,587	1,572	16	1.0
Quarter 15	1,630	1,603	27	1.7
Quarter 16	1,643	1,578	65	4.1
Quarter 17	1,589	1,614	-26	-1.6
Quarter 18	1,622	1,674	-52	-3.1
Sample size	1,405	1,410		

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table B.2

Florida's Family Transition Program

AFDC History Subgroups

Outcome	First-Time Applicant			Received AFDC 2 Years or Less			Received AFDC More Than 2 Years			Subgroup Differences
	FTP Group	AFDC Group	Difference	FTP Group	AFDC Group	Difference	FTP Group	AFDC Group	Difference	
Percent employed per quarter, years 1-4	45.1	49.0	-3.9	51.4	45.5	5.9 ***	47.3	42.6	4.7 ***	*
Year 1	45.5	49.8	-4.3	47.3	44.8	2.4	38.3	34.2	4.0 **	
Year 2	48.0	49.0	-1.0	53.1	45.3	7.8 ***	48.2	41.3	6.9 ***	
Year 3	42.6	47.8	-5.2	54.0	44.5	9.4 ***	51.9	45.7	6.3 ***	**
Year 4	44.3	49.5	-5.2	51.2	47.5	3.7	50.8	49.3	1.5	
Average total earnings, years 1-4 ($)	20,666	21,171	-504	18,882	15,118	3,764 ***	14,346	12,675	1,670 **	
Year 1	4,073	4,100	-28	3,391	2,929	462 *	2,025	1,950	75	
Year 2	5,161	5,009	151	4,505	3,451	1,055 ***	3,270	2,848	422 *	
Year 3	5,240	5,526	-286	5,386	4,023	1,364 ***	4,264	3,532	732 ***	
Year 4	6,193	6,534	-341	5,600	4,716	884 **	4,787	4,346	441	
Percent receiving AFDC/TANF per quarter, years 1-4	15.4	18.2	-2.8	30.7	32.7	-2.1	46.1	50.6	-4.5 ***	
Year 1	36.5	35.7	0.8	58.9	57.9	1.0	79.0	75.7	3.3 **	
Year 2	16.0	20.0	-4.1	35.0	35.2	-0.2	56.2	56.4	-0.2	
Year 3	5.9	11.3	-5.3 **	18.8	23.0	-4.2 *	33.9	42.5	-8.6 ***	
Year 4	3.1	5.8	-2.7	10.0	14.9	-4.9 ***	15.3	27.8	-12.4 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	1,472	1,873	-401	2,872	3,312	-440 **	5,333	6,250	-917 ***	
Year 1	879	939	-60	1,501	1,561	-60	2,556	2,529	27	
Year 2	358	496	-139	796	862	-67	1,578	1,752	-174 **	
Year 3	146	289	-143 **	369	528	-159 ***	832	1,210	-378 ***	**
Year 4	90	149	-59	207	361	-154 ***	366	759	-392 ***	***
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	2,543	2,847	-305	4,623	5,032	-409	7,947	8,603	-657 **	
Year 1	1,104	1,158	-54	1,696	1,926	-231 ***	2,661	2,815	-154 **	
Year 2	695	814	-119	1,191	1,349	-158 *	2,120	2,335	-214 **	
Year 3	469	517	-49	921	966	-44	1,731	1,925	-193 **	
Year 4	276	359	-83	815	791	24	1,434	1,529	-95	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	24,681	25,891	-1,210	26,377	23,462	2,915 **	27,625	27,528	97	*
Year 1	6,055	6,197	-142	6,588	6,416	171	7,243	7,294	-52	
Year 2	6,213	6,319	-106	6,492	5,662	830 **	6,968	6,934	34	
Year 3	5,855	6,333	-478	6,676	5,516	1,160 ***	6,827	6,667	161	**
Year 4	6,559	7,042	-483	6,621	5,867	754 *	6,587	6,633	-46	
Sample size	157	157		501	455		701	743		

(continued)

Table B.2 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table B.3

Florida's Family Transition Program

Race Subgroups

Outcome	White FTP Group	White AFDC Group	White Impact	Black FTP Group	Black AFDC Group	Black Impact	Subgroup Differences
Percent employed per quarter, years 1-4	44.8	40.0	4.8 ***	53.3	48.3	5.0 ***	
Year 1	39.9	38.4	1.4	45.4	41.6	3.8 **	
Year 2	46.8	38.7	8.1 ***	54.2	48.1	6.1 ***	
Year 3	47.7	39.6	8.1 ***	56.9	50.2	6.7 ***	
Year 4	45.0	43.1	1.8	56.6	53.4	3.2	
Average total earnings, years 1-4 ($)	17,406	14,045	3,361 ***	16,641	14,930	1,711 **	
Year 1	2,889	2,659	230	2,699	2,492	206	
Year 2	4,186	3,103	1,083 ***	3,825	3,519	307	**
Year 3	4,986	3,729	1,257 ***	4,748	4,076	673 ***	
Year 4	5,346	4,554	792 **	5,368	4,843	525 *	
Percent receiving AFDC/TANF per quarter, years 1-4	30.3	32.3	-2.0	43.0	47.7	-4.7 ***	
Year 1	59.1	56.1	3.0	73.6	71.7	1.9	
Year 2	34.9	35.3	-0.5	52.3	52.6	-0.3	
Year 3	17.3	24.1	-6.8 ***	32.5	39.3	-6.8 ***	
Year 4	10.0	13.6	-3.7 **	13.6	27.2	-13.6 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	3,065	3,496	-431 **	4,848	5,729	-881 ***	
Year 1	1,602	1,609	-7	2,313	2,316	-2	
Year 2	846	943	-97	1,444	1,583	-140 *	
Year 3	387	610	-223 ***	774	1,090	-316 ***	
Year 4	230	334	-104 **	317	740	-423 ***	***
Average total Food Stamps payments received, years 1-4 ($)	4,470	4,932	-462 **	7,610	8,115	-505 *	
Year 1	1,752	1,885	-134 **	2,461	2,650	-189 ***	
Year 2	1,174	1,352	-178 **	2,023	2,178	-154 *	
Year 3	856	975	-119 *	1,687	1,806	-119	
Year 4	689	720	-31	1,439	1,481	-42	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	24,942	22,473	2,469 **	29,099	28,774	325	
Year 1	6,242	6,153	89	7,473	7,459	15	
Year 2	6,206	5,398	808 ***	7,292	7,280	13	**
Year 3	6,229	5,314	914 ***	7,209	6,972	238	
Year 4	6,265	5,607	657 *	7,124	7,064	60	
Sample size	606	628		712	698		

(continued)

Table B.3 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table B.4

Florida's Family Transition Program

Public Housing Subgroups

Outcome	Not in Public/Subsidized Housing: FTP Group	AFDC Group	Difference	In Public/Subsidized Housing: FTP Group	AFDC Group	Difference	Subgroup Differences
Percent employed per quarter, years 1-4	46.6	42.6	4.0 ***	55.1	49.7	5.5 **	
Year 1	42.2	40.2	2.0	42.7	38.2	4.5	
Year 2	48.1	41.4	6.7 ***	56.1	50.7	5.4 *	
Year 3	49.1	42.7	6.4 ***	60.7	53.6	7.2 **	
Year 4	47.2	46.1	1.1	60.9	56.1	4.8	
Average total earnings, years 1-4 ($)	16,492	14,309	2,184 ***	17,566	14,858	2,707 **	
Year 1	2,881	2,679	201	2,342	2,071	271	
Year 2	3,950	3,243	706 ***	3,911	3,448	463	
Year 3	4,682	3,774	907 ***	5,153	4,327	826 **	
Year 4	4,980	4,612	369	6,160	5,013	1,147 **	
Percent receiving AFDC/TANF per quarter, years 1-4	32.6	35.7	-3.1 ***	51.5	56.5	-5.0 **	
Year 1	61.2	59.2	2.0	85.5	83.3	2.1	
Year 2	37.7	38.6	-0.9	64.3	64.7	-0.4	
Year 3	20.4	27.8	-7.4 ***	40.8	45.9	-5.1	
Year 4	11.0	17.1	-6.1 ***	15.4	32.3	-16.8 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	3,419	4,077	-658 ***	5,928	6,763	-834 ***	
Year 1	1,738	1,761	-23	2,789	2,790	-1	
Year 2	951	1,106	-155 ***	1,836	1,907	-72	
Year 3	478	751	-273 ***	943	1,230	-287 ***	
Year 4	253	459	-207 ***	361	835	-474 ***	***
Average total Food Stamps payments received, years 1-4 ($)	5,251	5,781	-530 ***	9,069	9,554	-486	
Year 1	1,925	2,096	-171 ***	2,826	3,011	-184 **	
Year 2	1,382	1,574	-192 ***	2,427	2,574	-147	
Year 3	1,060	1,189	-130 **	2,072	2,171	-99	
Year 4	884	922	-38	1,743	1,799	-56	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	25,162	24,167	996	32,563	31,175	1,387	
Year 1	6,544	6,537	7	7,958	7,872	85	
Year 2	6,282	5,923	359 *	8,174	7,930	245	
Year 3	6,219	5,715	505 **	8,167	7,727	440	
Year 4	6,117	5,992	124	8,264	7,647	617	
Sample size	1,043	1,049		325	311		

(continued)

Table B.4 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table B.5

Florida's Family Transition Program
Levels of Disadvantage Subgroups

Outcome	None of the Barriers: FTP Group	None of the Barriers: AFDC Group	None of the Barriers: Difference	Some Barriers: FTP Group	Some Barriers: AFDC Group	Some Barriers: Difference	All Three Barriers: FTP Group	All Three Barriers: AFDC Group	All Three Barriers: Difference	Subgroup Differences
Percent employed per quarter, years 1-4	63.8	62.4	1.4	48.2	43.1	5.1 ***	31.1	28.6	2.5	
Year 1	63.0	64.8	-1.7	41.7	38.1	3.6 *	19.8	17.7	2.2	
Year 2	65.5	63.4	2.0	49.8	42.1	7.7 ***	31.5	26.4	5.1	
Year 3	64.6	59.3	5.3	51.7	44.4	7.3 ***	35.7	33.2	2.5	
Year 4	62.1	62.3	-0.2	49.6	47.8	1.8	37.4	37.3	0.1	
Average total earnings, years 1-4 ($)	27,550	25,745	1,805	15,554	13,402	2,153 ***	7,526	6,648	878	
Year 1	5,324	5,311	13	2,422	2,238	184	793	739	55	
Year 2	6,789	5,946	843	3,596	3,071	525 **	1,703	1,338	366	
Year 3	7,599	6,613	986	4,515	3,686	829 ***	2,299	1,948	351	
Year 4	7,838	7,875	-37	5,021	4,406	615 **	2,731	2,624	107	
Percent receiving AFDC/TANF per quarter, years 1-4	23.8	23.9	-0.1	37.9	40.7	-2.8 **	48.9	58.3	-9.4 ***	**
Year 1	49.6	43.4	6.3 *	68.7	66.3	2.4	80.2	82.0	-1.8	
Year 2	25.1	24.3	0.8	45.4	44.8	0.6	60.6	66.8	-6.2 *	
Year 3	12.6	17.3	-4.6 *	25.0	31.5	-6.5 ***	39.7	51.0	-11.3 ***	
Year 4	7.9	10.6	-2.7	12.4	20.3	-7.8 ***	15.2	33.5	-18.3 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	2,096	2,261	-165	4,038	4,623	-585 ***	6,088	7,806	-1,718 ***	***
Year 1	1,167	1,103	64	2,018	1,999	19	2,815	3,018	-204	
Year 2	514	540	-26	1,170	1,261	-91	1,861	2,269	-408 ***	*
Year 3	241	369	-128 **	568	845	-277 ***	1,037	1,510	-473 ***	**
Year 4	175	250	-75	282	518	-236 ***	375	1,008	-633 ***	***
Average total Food Stamps payments received, years 1-4 ($)	3,682	4,021	-339	6,204	6,496	-292	8,623	10,482	-1,859 ***	**
Year 1	1,471	1,577	-106	2,165	2,288	-123 **	2,805	3,233	-428 ***	
Year 2	919	1,058	-139	1,667	1,754	-87	2,263	2,899	-636 ***	**
Year 3	684	778	-94	1,299	1,379	-81	1,930	2,375	-445 **	
Year 4	607	608	-1	1,074	1,075	-1	1,624	1,974	-350 **	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	33,328	32,027	1,301	25,797	24,521	1,276	22,236	24,936	-2,699 **	**
Year 1	7,962	7,991	-28	6,605	6,525	80	6,413	6,990	-577 **	
Year 2	8,222	7,543	678	6,434	6,087	347	5,828	6,506	-679 *	**
Year 3	8,524	7,760	764	6,381	5,910	471 *	5,266	5,833	-567	*
Year 4	8,620	8,733	-113	6,377	5,999	378	4,730	5,606	-876 **	*
Sample size	263	251		883	899		222	214		

(continued)

Table B.5 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

The levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. Those having "All 3 Barriers" were on welfare two years or more prior to random assignment, had no prior work, and no high school diploma or GED. Sample members in the "None of the Barriers" group were not long-term welfare recipients, had prior work experience, and had a high school diploma or GED. Those in the "Some of the Barriers" group had some, but not all, of the accumulation risk factors.

In this table, prior employment was defined using information from the UI records.

Table B.6

Florida's Family Transition Program
Levels of Disadvantage Subgroups (Using Self-Reported Definition of Prior Employment)

	None of the Barriers			Some Barriers			All 3 Barriers			
Outcome	FTP Group	AFDC Group	Difference	FTP Group	AFDC Group	Difference	FTP Group	AFDC Group	Difference	Subgroup Differences
Percent employed per quarter, years 1-4	59.6	57.6	1.9	48.9	43.5	5.4 ***	34.9	31.3	3.6	
Year 1	59.4	60.3	-0.8	42.0	38.6	3.4 *	23.5	20.1	3.4	
Year 2	62.0	58.2	3.8	50.2	42.1	8.1 ***	35.6	30.6	5.0	
Year 3	60.0	54.2	5.8	52.5	45.2	7.3 ***	39.7	35.0	4.7	
Year 4	56.8	57.9	-1.0	50.8	48.1	2.6	40.7	39.3	1.4	
Average total earnings, years 1-4 ($)	26,749	24,058	2,691	15,543	13,484	2,059 **	8,697	7,072	1,625 *	
Year 1	5,173	4,999	173	2,406	2,222	184	961	903	58	
Year 2	6,720	5,728	993 *	3,545	3,003	542 **	1,964	1,550	414	
Year 3	7,317	6,119	1,198 *	4,554	3,733	821 ***	2,562	2,068	494	
Year 4	7,539	7,212	327	5,039	4,527	512 *	3,210	2,551	659 *	
Percent receiving AFDC/TANF per quarter, years 1-4	20.9	21.2	-0.3	38.5	41.3	-2.7 **	50.6	59.2	-8.5 ***	**
Year 1	44.5	40.2	4.3	70.4	67.4	3.0 *	81.8	82.4	-0.6	
Year 2	21.3	21.4	-0.1	46.5	45.6	0.9	61.9	66.7	-4.8	
Year 3	11.2	14.3	-3.1	25.5	32.1	-6.6 ***	39.7	51.8	-12.1 ***	
Year 4	6.7	8.9	-2.2	11.8	20.0	-8.2 ***	19.1	35.7	-16.5 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	1,873	2,012	-139	4,054	4,643	-590 ***	6,293	7,910	-1,617 ***	***
Year 1	1,044	1,028	16	2,043	2,022	21	2,876	3,011	-135	
Year 2	461	470	-10	1,174	1,271	-97	1,910	2,276	-365 **	*
Year 3	226	305	-79	571	843	-272 ***	1,028	1,568	-541 ***	***
Year 4	142	209	-66	265	507	-242 ***	479	1,055	-576 ***	***
Average total Food Stamps payments received, years 1-4 ($)	3,295	3,588	-293	6,294	6,598	-304	8,785	10,447	-1,662 ***	**
Year 1	1,338	1,424	-85	2,186	2,320	-133 **	2,894	3,271	-377 ***	
Year 2	824	938	-114	1,680	1,779	-99	2,351	2,895	-544 ***	**
Year 3	600	693	-93	1,340	1,400	-60	1,890	2,352	-462 ***	*
Year 4	532	533	0	1,087	1,100	-13	1,650	1,930	-280 *	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	31,917	29,659	2,259	25,891	24,726	1,165	23,774	25,429	-1,655	*
Year 1	7,555	7,451	104	6,636	6,564	72	6,731	7,185	-455 *	
Year 2	8,005	7,137	869	6,399	6,053	346	6,225	6,720	-495	**
Year 3	8,143	7,117	1,026	6,465	5,975	490 *	5,480	5,988	-508	**
Year 4	8,214	7,953	261	6,391	6,134	257	5,339	5,535	-196	
Sample size	296	273		820	851		252	240		

(continued)

Table B.6 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

The levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. Those having "All 3 Barriers" were on welfare two years or more prior to random assignment, had no prior work, and no high school diploma or GED. Sample members in the "None of the Barriers" group were not long-term welfare recipients, had prior work experience, and had a high school diploma or GED. Those in the "Some of the Barriers" group had some, but not all, of the accumulation risk factors.

In this table, prior employment was defined using information from the Background Information Form completed at random assignment.

Table B.7

Florida's Family Transition Program

Levels of Disadvantage Subgroups (Using Combined[a] Definition of Prior Employment)

Outcome	None of the Barriers: FTP Group	None of the Barriers: AFDC Group	None of the Barriers: Difference	Some Barriers: FTP Group	Some Barriers: AFDC Group	Some Barriers: Difference	All 3 Barriers: FTP Group	All 3 Barriers: AFDC Group	All 3 Barriers: Difference	Subgroup Differences
Percent employed per quarter, years 1-4	59.6	57.6	2.0	48.9	43.6	5.3 ***	30.9	27.3	3.7	
Year 1	59.4	60.2	-0.8	41.8	38.2	3.7 **	18.9	16.2	2.7	
Year 2	62.0	58.2	3.8	50.1	42.6	7.5 ***	32.0	25.0	7.0 *	
Year 3	60.0	54.1	5.9	52.6	45.2	7.4 ***	35.7	31.7	4.1	
Year 4	56.8	57.9	-1.0	50.9	48.3	2.6	37.1	36.2	0.9	
Average total earnings, years 1-4 ($)	26,759	24,090	2,669	15,301	13,210	2,091 ***	7,756	6,488	1,268	
Year 1	5,174	5,001	173	2,354	2,176	177	783	716	67	
Year 2	6,722	5,730	992 *	3,479	2,964	514 **	1,800	1,300	500 *	
Year 3	7,321	6,129	1,191 *	4,468	3,664	804 ***	2,367	1,898	469	
Year 4	7,542	7,229	313	5,001	4,405	596 **	2,805	2,573	232	
Percent receiving AFDC/TANF per quarter, years 1-4	20.9	21.3	-0.3	39.4	42.2	-2.8 **	50.2	59.9	-9.7 ***	**
Year 1	44.5	40.3	4.2	71.3	68.1	3.2 **	81.2	83.3	-2.2	
Year 2	21.3	21.5	-0.2	47.5	46.7	0.8	61.9	67.8	-5.8	
Year 3	11.2	14.3	-3.2	26.2	33.1	-6.9 ***	41.1	52.9	-11.8 ***	
Year 4	6.7	8.9	-2.2	12.8	21.0	-8.2 ***	16.8	35.6	-18.8 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	1,874	2,018	-144	4,197	4,797	-601 ***	6,321	8,126	-1,806 ***	***
Year 1	1,044	1,031	13	2,094	2,061	33	2,898	3,115	-217	
Year 2	461	472	-11	1,220	1,321	-101	1,924	2,332	-408 **	*
Year 3	226	306	-80	592	882	-290 ***	1,077	1,590	-513 ***	***
Year 4	143	209	-66	291	534	-243 ***	422	1,090	-668 ***	***
Average total Food Stamps payments received, years 1-4 ($)	3,297	3,588	-291	6,437	6,788	-351	8,883	10,668	-1,785 ***	*
Year 1	1,339	1,422	-83	2,229	2,366	-137 **	2,910	3,332	-422 ***	
Year 2	824	940	-115	1,727	1,839	-112	2,343	2,932	-589 ***	**
Year 3	601	694	-93	1,360	1,446	-86	1,969	2,411	-442 **	
Year 4	533	532	1	1,122	1,138	-16	1,662	1,993	-331 *	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	31,931	29,696	2,235	25,935	24,795	1,140	22,960	25,282	-2,322 *	*
Year 1	7,557	7,455	102	6,676	6,603	73	6,591	7,163	-572 *	
Year 2	8,008	7,142	866	6,425	6,124	302	6,068	6,564	-497	*
Year 3	8,148	7,129	1,018	6,420	5,992	428 *	5,413	5,899	-486	*
Year 4	8,218	7,970	248	6,414	6,077	337	4,889	5,656	-768	
Sample size	296	272		876	908		196	183		

(continued)

Table B.7 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

The levels of disadvantage subgroups are based on AFDC history, prior employment, and whether the sample member had a high school diploma or GED. Those having "All 3 Barriers" were on welfare two years or more prior to random assignment, had no prior work, and no high school diploma or GED. Sample members in the "None of the Barriers" group were not long-term welfare recipients, had prior work experience, and had a high school diploma or GED. Those in the "Some of the Barriers" group had some, but not all, of the accumulation risk factors.

[a]The "combined" definition of prior employment requires that sample members report and the UI data confirm that these individuals did not work in the year prior to random assignment.

Table B.8

Florida's Family Transition Program
Job Readiness Subgroups

Outcome	Has Diploma and Recent Work: FTP Group	AFDC Group	Difference	Has Either Diploma or Recent Work: FTP Group	AFDC Group	Difference	Has No Diploma and No Recent Work: FTP Group	AFDC Group	Difference	Subgroup Differences
Percent employed per quarter, years 1-4	64.4	61.1	3.3	47.6	41.4	6.2 ***	29.4	27.2	2.2	
Year 1	61.9	62.1	-0.2	40.1	35.4	4.7 **	20.3	18.2	2.2	
Year 2	66.2	60.7	5.5 **	49.1	40.8	8.3 ***	30.3	25.3	5.0 *	
Year 3	65.5	59.9	5.5 **	52.1	42.2	9.9 ***	33.0	31.2	1.8	*
Year 4	64.0	61.6	2.5	49.0	47.2	1.8	34.0	34.1	0.0	
Average total earnings, years 1-4 ($)	25,406	22,811	2,595 *	15,396	12,877	2,519 ***	7,326	6,590	736	
Year 1	4,688	4,539	148	2,357	2,056	301	835	831	4	
Year 2	6,079	5,188	891 **	3,616	3,036	580 **	1,633	1,309	324	
Year 3	7,038	5,990	1,048 **	4,529	3,509	1,020 ***	2,211	1,966	245	
Year 4	7,602	7,094	508	4,893	4,276	617 *	2,647	2,484	163	
Percent receiving AFDC/TANF per quarter, years 1-4	30.7	32.0	-1.3	37.9	40.8	-2.9 *	43.2	51.2	-8.0 ***	**
Year 1	59.1	54.1	5.0 **	68.2	66.0	2.2	74.1	76.5	-2.5	*
Year 2	35.6	34.0	1.6	44.6	44.7	-0.2	53.1	58.7	-5.6 *	
Year 3	18.7	24.7	-6.1 ***	25.1	31.4	-6.3 ***	33.4	42.8	-9.4 ***	
Year 4	9.4	15.3	-5.9 ***	13.8	21.1	-7.3 ***	12.2	26.7	-14.5 ***	**
Average total AFDC/TANF payments received, years 1-4 ($)	2,918	3,282	-364 *	4,163	4,703	-540 ***	5,109	6,537	-1,428 ***	**
Year 1	1,544	1,471	73	2,054	2,029	25	2,427	2,628	-201 *	
Year 2	790	833	-43	1,195	1,290	-94	1,560	1,892	-332 ***	
Year 3	388	597	-208 ***	584	849	-265 ***	834	1,236	-402 ***	
Year 4	196	382	-186 ***	330	536	-206 ***	288	781	-493 ***	***
Average total value of Food Stamp payments received, years 1-4 ($)	5,000	5,216	-216	6,237	6,614	-377	7,369	8,664	-1,295 ***	*
Year 1	1,844	1,917	-72	2,180	2,311	-130 *	2,437	2,807	-371 ***	*
Year 2	1,336	1,370	-34	1,644	1,803	-159 *	1,949	2,391	-442 ***	**
Year 3	1,036	1,098	-63	1,269	1,397	-128	1,637	1,906	-270 **	
Year 4	784	830	-46	1,142	1,103	40	1,347	1,559	-213	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	33,325	31,309	2,016	25,796	24,194	1,601 *	19,804	21,791	-1,987 *	**
Year 1	8,076	7,927	149	6,592	6,396	196	5,699	6,267	-568 **	**
Year 2	8,205	7,391	814 **	6,455	6,128	327	5,143	5,592	-450	**
Year 3	8,462	7,685	777 *	6,383	5,755	627 **	4,681	5,108	-427	**
Year 4	8,582	8,306	276	6,365	5,915	451	4,281	4,824	-543	
Sample size	443	424		585	626		341	315		

(continued)

Table B.8 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

"Recent working experience" is defined as having worked in the year prior to random assignment according to the administrative records.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table B.9
Florida's Family Transition Program
Risk of Welfare Dependency Subgroups for Survey Sample

Outcome	Least at Risk FTP Group	Least at Risk AFDC Group	Least at Risk Impact	Medium Risk FTP Group	Medium Risk AFDC Group	Medium Risk Impact	Most at Risk FTP Group	Most at Risk AFDC Group	Most at Risk Impact	Subgroup Differences
Percent employed per quarter, years 1-4	67.0	59.9	7.0 **	48.9	44.7	4.2 **	47.2	38.2	9.1 ***	
Year 1	65.4	65.4	-0.1	41.0	40.1	0.8	32.7	21.6	11.1 ***	**
Year 2	69.7	61.3	8.4 **	49.3	42.5	6.8 ***	50.5	36.8	13.7 ***	
Year 3	66.8	55.0	11.8 ***	52.6	45.5	7.1 ***	54.0	44.4	9.6 **	
Year 4	66.0	58.0	8.0 **	52.7	50.6	2.1	51.7	49.8	1.9	
Average total earnings, years 1-4 ($)	28,765	24,030	4,735 **	15,685	14,383	1,303	13,855	9,925	3,930 ***	
Year 1	5,483	5,302	181	2,408	2,242	166	1,364	950	413 **	
Year 2	7,160	5,779	1,380 **	3,543	3,203	339	3,331	2,142	1,189 ***	
Year 3	7,761	5,819	1,942 ***	4,625	4,052	573	4,314	3,072	1,242 ***	
Year 4	8,360	7,130	1,231	5,110	4,886	224	4,846	3,762	1,084 **	
Percent receiving AFDC/TANF per quarter, years 1-4	20.0	23.6	-3.6	38.1	41.0	-2.8	56.1	63.1	-7.1 ***	
Year 1	43.2	41.7	1.5	70.4	66.1	4.2 *	91.4	88.3	3.1	
Year 2	22.1	25.8	-3.7	45.1	45.0	0.0	68.2	72.7	-4.6	
Year 3	8.6	16.1	-7.5 ***	24.3	31.4	-7.1 ***	45.9	54.4	-8.6 **	
Year 4	6.1	10.7	-4.6 **	12.8	21.2	-8.4 ***	18.8	37.1	-18.2 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	1,726	2,330	-604 **	3,804	4,510	-705 ***	7,039	8,286	-1,247 ***	
Year 1	982	1079	-97	1,986	1,928	57	3,241	3,219	22	
Year 2	425	609	-184 **	1,063	1,218	-156 *	2,114	2,384	-270 *	
Year 3	178	394	-217 ***	492	831	-339 ***	1,223	1,593	-371 ***	
Year 4	141	248	-107 *	264	532	-268 ***	462	1,091	-629 ***	***
Average total value of Food Stamp payments received, years 1-4 ($)	3,446	4,431	-985 ***	6,129	6,713	-584 *	10,486	10,999	-513	
Year 1	1,423	1,726	-303 ***	2,124	2,369	-245 ***	3,196	3,288	-92	
Year 2	891	1,191	-301 ***	1,621	1,820	-199 **	2,704	2,942	-238	
Year 3	609	893	-284 ***	1,334	1,387	-52	2,396	2,522	-127	
Year 4	523	621	-98	1,051	1,137	-86	2,190	2,246	-56	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	33,936	30,791	3,145	25,619	25,605	14	31,380	29,210	2,170 *	
Year 1	7,888	8,106	-218	6,518	6,539	-22	7,801	7,457	344	
Year 2	8,475	7,579	896	6,226	6,241	-16	8,149	7,467	682 *	
Year 3	8,548	7,106	1,442 **	6,451	6,269	182	7,932	7,187	745 *	
Year 4	9,025	7,999	1,026	6,424	6,555	-131	7,498	7,099	399	
Sample size	205	207		429	432		226	230		

(continued)

Table B.9 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

The AFDC dependency index is based on prior quarter employment, total number of quarters employed prior to random assignment, whether a sample member received AFDC in the quarter prior to random assignment, total number of quarters of AFDC received prior to random assignment, the age of youngest child, and whether a sample member had a high school diploma or GED at baseline.

"Most at risk" sample members are those whose risk score is in the top quarter of the distribution.
"Least at risk" sample members are those whose risk score is in the bottom quarter of the distribution.
"Medium risk" sample members are those whose risk score falls in the interquartile range.

Table B.10
Florida's Family Transition Program
Risk of Welfare Dependency Subgroups for Focal Child Survey Sample

Outcome	Least at Risk FTP Group	Least at Risk AFDC Group	Least at Risk Impact	Medium Risk FTP Group	Medium Risk AFDC Group	Medium Risk Impact	Most at Risk FTP Group	Most at Risk AFDC Group	Most at Risk Impact	Subgroup Differences
Percent employed per quarter, years 1-4	71.0	66.4	4.6	53.3	47.2	6.1 **	47.9	40.2	7.7 **	
Year 1	72.2	72.2	0.0	45.0	44.3	0.7	32.2	23.2	8.9 **	
Year 2	73.1	68.1	5.0	54.8	43.5	11.3 ***	51.4	38.7	12.7 ***	
Year 3	69.4	61.7	7.7	57.6	48.6	9.0 ***	54.7	47.5	7.3 *	
Year 4	69.3	63.7	5.6	56.0	52.3	3.6	53.4	51.3	2.0	
Average total earnings, years 1-4 ($)	28,975	25,388	3,587	18,365	14,981	3,385 **	14,652	10,517	4,135 ***	
Year 1	6,063	5,519	545	2,896	2,417	479	1,381	1,042	339	
Year 2	7,293	5,744	1,549 **	4,142	3,195	947 **	3,427	2,254	1,172 ***	
Year 3	7,401	6,295	1,107	5,378	4,220	1,158 **	4,585	3,294	1,292 **	
Year 4	8,218	7,831	387	5,949	5,148	801	5,259	3,927	1,332 **	
Percent receiving AFDC/TANF per quarter, years 1-4	19.3	22.9	-3.7	38.7	40.3	-1.6	56.1	64.0	-7.8 ***	
Year 1	40.9	44.3	-3.4	70.4	65.1	5.3 *	92.2	88.7	3.5	
Year 2	20.5	24.6	-4.1	46.2	44.4	1.8	68.7	73.3	-4.6	
Year 3	8.1	15.6	-7.5 *	24.9	30.4	-5.5 *	45.8	56.2	-10.3 **	
Year 4	7.6	7.2	0.4	13.4	21.3	-8.0 ***	17.8	37.7	-19.9 ***	***
Average total AFDC/TANF payments received, years 1-4 ($)	1,505	2,346	-841 **	3,959	4,583	-624 **	7,180	8,601	-1,421 ***	
Year 1	832	1163	-330 **	2,044	1,940	103	3,321	3,290	30	*
Year 2	335	594	-259 **	1,084	1,247	-163	2,172	2,464	-292 *	
Year 3	162	408	-246 **	541	841	-300 ***	1,253	1,684	-432 ***	
Year 4	176	181	-5	291	555	-264 ***	435	1,162	-727 ***	***
Average total value of Food Stamp payments received, years 1-4 ($)	3,866	4,982	-1,116 **	6,508	7,129	-620	10,814	11,426	-612	
Year 1	1,393	1,916	-523 ***	2,197	2,447	-251 **	3,261	3,319	-58	*
Year 2	934	1,346	-412 **	1,718	1,933	-216 *	2,777	3,012	-235	
Year 3	751	1,031	-281	1,420	1,484	-64	2,490	2,675	-185	
Year 4	789	689	100	1,174	1,264	-90	2,286	2,420	-134	
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	34,346	32,716	1,630	28,833	26,693	2,140	32,646	30,544	2,101	
Year 1	8,288	8,597	-309	7,136	6,805	331	7,962	7,651	311	
Year 2	8,561	7,684	878	6,944	6,375	569	8,376	7,731	645	
Year 3	8,313	7,734	579	7,339	6,546	794	8,328	7,653	675	
Year 4	9,183	8,701	482	7,414	6,967	447	7,980	7,509	470	
Sample size	103	104		259	277		181	184		

(continued)

Table B.10 (continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

An F-test was performed to determine whether the variation in impacts across subgroups was statistically significant. These results are presented in the final column of the table. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

The AFDC dependency index is based on prior quarter employment, total number of quarters employed prior to random assignment, whether a sample member received AFDC in the quarter prior to random assignment, total number of quarters of AFDC received prior to random assignment, the age of youngest child, and whether a sample member had a high school diploma or GED at baseline.

"Most at risk" sample members are those whose risk score is in the top quarter of the distribution.
"Least at risk" sample members are those whose risk score is in the bottom quarter of the distribution.
"Medium risk" sample members are those whose risk score falls in the interquartile range.

Table B.11

Florida's Family Transition Program

Four-Year Impacts on Employment, Earnings, AFDC/TANF Receipt, AFDC/TANF Payments, Food Stamp Receipt, and Value of Food Stamps Received Among Two-Parent Households

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Percent employed per quarter, years 1-4	49.0	47.9	1.2	2.4
Year 1	49.6	46.9	2.7	5.8
Year 2	51.6	46.5	5.1	11.0
Year 3	49.3	47.9	1.3	2.8
Year 4	45.6	50.1	-4.5	-9.0
Average total earnings, years 1-4 ($)	20,417	19,944	473	2.4
Year 1	4,220	4,112	108	2.6
Year 2	5,041	4,757	284	6.0
Year 3	5,195	5,443	-249	-4.6
Year 4	5,961	5,632	329	5.9
Percent receiving AFDC/TANF per quarter, years 1-4	21.3	23.3	-2.0	-8.5
Year 1	41.4	42.0	-0.7	-1.6
Year 2	25.0	25.7	-0.6	-2.4
Year 3	13.9	15.6	-1.8	-11.2
Year 4	5.0	9.9	-4.9 **	-49.4
Average total AFDC/TANF payments received, years 1-4	2,295	2,513	-218	-8.7
Year 1	1,218	1,154	64	5.6
Year 2	636	657	-21	-3.2
Year 3	349	431	-82	-19.1
Year 4	92	271	-179 **	-66.0
Average number of months receiving AFDC/TANF payments, years 1-4	8.3	9.0	-0.7	-7.5
Percent receiving Food Stamps per quarter, years 1-4	38.0	37.5	0.5	1.2
Year 1	59.6	58.8	0.8	1.4
Year 2	40.2	39.7	0.4	1.1
Year 3	30.3	31.0	-0.7	-2.2
Year 4	21.9	20.6	1.3	6.3
Average total value of Food Stamp payments received, years 1-4 ($)	4,425	4,500	-75	-1.7
Year 1	1,769	1,833	-64	-3.5
Year 2	1,129	1,229	-100	-8.2
Year 3	893	888	5	0.6
Year 4	634	550	84	15.3
Average total income from earnings, AFDC/TANF, and Food Stamps, years 1-4 ($)	27,137	26,957	180	0.7
Year 1	7,208	7,099	109	1.5
Year 2	6,805	6,642	163	2.4
Year 3	6,437	6,763	-326	-4.8
Year 4	6,687	6,453	234	3.6
Sample size	180	178		

(continued)

Table B.11(continued)

SOURCES: MDRC calculations from Florida Unemployment Insurance (UI) earnings records, AFDC/TANF records, and Food Stamp records.

NOTES: Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TANF or Food Stamps.

Quarter 1 refers to the calendar quarter following the quarter in which the sample member was randomly assigned. Year 1 refers to quarters 1-4 after the quarter of random assignment; year 2 refers to quarters 5-8; year 3 refers to quarters 9-12; year 4 refers to quarters 13-16. The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TANF payments, or Food Stamp payments in that quarter, prior to their actual date of random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix C

Supplementary Tables to Chapter 4

Table C.1

Florida's Family Transition Program

Impacts on Income and Income Sources in Month Prior to Survey Interview

Outcome	FTP Group	AFDC Group	Difference		Percentage Change
Household income (%)					
Earnings	76.2	73.8	2.4		3.2
AFDC/TANF payments	10.2	20.9	-10.7	***	-51.0
Food Stamp payments	44.2	46.6	-2.5		-5.3
Child support payments	30.9	23.1	7.8	***	33.8
SSI payments	19.4	19.1	0.4		1.8
Other sources	15.2	13.7	1.5		11.2
Respondent income (%)					
Earnings	67.0	63.3	3.7	*	5.9
AFDC/TANF payments	8.3	19.8	-11.4	***	-57.8
Food Stamp payments	42.2	45.6	-3.4		-7.5
Child support payments	29.5	21.9	7.6	***	34.7
SSI payments	12.0	11.9	0.1		0.6
Other sources	13.4	12.1	1.3		11.0
Income for others in household (%)					
Earnings	32.2	32.1	0.2		0.6
AFDC/TANF payments	2.1	1.1	1.0		87.8
Food Stamp payments	2.9	2.1	0.8		39.4
Child support payments	1.9	1.4	0.4		31.1
SSI payments	8.3	7.7	0.6		8.1
Other sources	2.8	1.9	0.8		42.8
Sample size (total=1,729)	860	869			

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during the month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table C.2

Florida's Family Transition Program

Four-Year Impacts on Assets and Debt

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Assets				
Savings (%)				
No reported savings	71.4	73.5	-2.1	-2.9
Less than $200	15.5	13.9	1.6	11.2
$200 - $1,000	8.2	8.5	-0.3	-3.9
$1,000 or more	5.0	4.1	0.9	21.7
Average savings ($)	285	198	86	43.6
Car/vehicle ownership (%)	59.1	60.2	-1.1	-1.9
Home ownership (%)	15.8	14.8	1.0	6.6
Debt				
No reported debt (%)	32.6	32.9	-0.3	-0.8
Less than $200 (%)	6.1	6.3	-0.2	-3.6
$200 - $1,000 (%)	22.0	21.8	0.1	0.7
$1,000 or more (%)	39.3	38.9	0.3	0.9
Average debt ($)	2,633	2,940	-307	-10.4
Sample size (total=1,729)	860	869		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table C.3

Florida's Family Transition Program

Four-Year Impacts on Mobility, Housing, and Neighborhood

Outcome	FTP Group	AFDC Group	Difference		Percentage Change
Residential mobility (since random assignment)					
Moved (%)	72.5	69.6	2.9		4.2
Average number of moves	1.9	1.9	0.1		3.0
Lived outside the county (%)	26.2	25.3	0.9		3.5
Lived outside Florida (%)	16.1	15.9	0.2		1.2
Number of moves					
None	27.7	30.7	-3.0		-9.7
1-2 moves	42.6	41.9	0.8		1.8
3 or more moves	29.7	27.5	2.2		8.1
Housing status					
Owns home (%)	15.8	14.8	1.0		6.6
Rents home or apartment (%)	72.3	74.2	-1.9		-2.6
Lives rent-free with family or friends (%)	7.9	9.0	-1.0		-11.6
Group shelter, homeless (%)	0.7	0.4	0.3		94.7
Other arrangement, doesn't pay rent (%)	3.3	1.6	1.6	**	99.8
Lives in public or subsidized housing (%)	20.8	22.1	-1.3		-5.9
Percent of household income spent on rent and utilities per month (%)	32.6	37.1	-4.6	***	-12.3
Average amount spent on rent and utilities per month ($)	443.8	447.6	-3.8		-0.8
Crowding (%)	14.5	13.8	0.7		5.3
Neighborhood					
As a place to raise children (%)					
Excellent	17.8	18.3	-0.5		-2.9
Very good	22.0	21.6	0.3		1.6
Good	39.7	37.8	1.9		5.0
Not too good	14.6	15.5	-1.0		-6.1
Poor	6.0	6.7	-0.7		-10.9
Neighborhood problems index	1.7	1.8	-0.1		-5.3
Unemployment	43.6	43.9	-0.3		-0.6
Drug users or pushers	38.0	39.3	-1.3		-3.2
Crime, assault, or burglaries	26.2	29.4	-3.2		-10.7
Run-down buildings and yards	26.7	28.9	-2.2		-7.7
Noise, odors, or heavy traffic	34.9	36.0	-1.1		-2.9
Sample size (total=1,729)	860	869			

(continued)

Table C.3 (continued)

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Table C.4

Florida's Family Transition Program

Four-Year Impacts on Other Measures of Well-Being

Outcome	FTP Group	AFDC Group	Difference	Percentage Change
Material hardship in past year				
Cannot pay full amount of rent/mortgage	31.1	29.5	1.6	5.5
Evicted for not paying rent/mortgage	6.5	6.3	0.1	2.3
Cannot pay full amount of utility bills	32.7	35.1	-2.3	-6.7
Electric or gas turned off	15.0	15.6	-0.6	-3.9
Telephone disconnected	33.5	31.5	2.0	6.4
Unmet medical needs	22.7	25.1	-2.3	-9.3
Unmet dental needs	33.4	35.5	-2.1	-6.0
Housing conditions				
Leaky roof or ceiling	9.1	11.3	-2.2	-19.7
Broken plumbing	8.0	8.5	-0.5	-6.4
Broken windows	9.1	11.3	-2.2	-19.2
Electrical problems	5.8	6.1	-0.2	-4.0
Roaches/insects	21.0	24.7	-3.7 *	-15.0
Heating system problems	4.4	6.0	-1.6	-26.8
Broken appliances	7.8	9.2	-1.4	-15.6
Food security in past year				
Food secure	66.0	64.2	1.8	2.7
Food insecure	18.3	18.8	-0.5	-2.7
Food insecure with hunger	15.8	17.0	-1.3	-7.4
Service use in past year				
Used one or more services	41.5	41.3	0.2	0.5
Rent	12.4	10.1	2.3	22.4
Utility bills	16.6	15.5	1.1	7.2
Prescription	3.9	4.4	-0.5	-11.1
Food banks	16.2	17.0	-0.8	-4.8
Soup kitchens	3.1	2.8	0.3	12.5
Second-hand clothes	21.6	23.0	-1.5	-6.4
Sample size (total=1,729)	860	869		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Survey respondents were interviewed between months 48 and 61 after random assignment. On average, they were interviewed during month 51 after random assignment.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in the calculation of sums and differences.

A two-tailed t-test was applied to differences between the FTP and AFDC groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix D

Measures of Child and Family Functioning

This appendix includes the technical information about the measures of children's outcomes and family functioning reported in Chapters 5 and 6 of this report. At the end of this appendix, a table presenting the comparison of children in the AFDC group with children in state and national samples is provided. See Chapter 6 for a discussion of this table.

Quality of Primary Child Care. This scale measures the parent's perception of the quality of the child's primary care provider at the time of the four-year survey. The three-item scale includes the items tapping whether the child gets individual attention, the caregiver is open to new ideas, and the caregiver plans activities for the children.[1] Items are coded on a 4-point scale, ranging from 1 "never" to 4 "always." A summary score was computed by summing the three items on the scale. Indicators of perceptions of high or low quality were created from this sum. A score of 9 or above on the scale is considered a perception of high-quality care (and received scores of 100). The outcomes are experimental. That is, the outcomes were created over all sample members, including those who never used care (who received scores of 0, along with those who reported low-quality care). For the scale, $\alpha = .63$.

Quality of the Home Environment. A scale was created from items adapted from the Home Observation for Measurement of the Environment (HOME) scale.[2] The scale used in this report resembles a modified version of the HOME scale, called the HOME-Short Form (HOME-SF), which was created in the National Longitudinal Survey of Youth (NLSY).[3] The New Chance Demonstration used a trichotomous coding scheme, which was also used in the present study.[4] Each item was recoded to a 3-point scale, with 1 indicating a poor-quality home environment and 3 indicating a high-quality home environment. For the total scale and each of five subscales, the sum of these recoded items was computed, where a higher score indicates a home environment of higher quality.

The five subscales were based on the results of a principal components analysis with a varimax rotation (which is an orthogonal rotation method). These subscales were:

1. cognitive stimulation, which includes eight items assessing such things as the number of books in the home, how often the parent reads to the child, whether there is a musical instrument in the home, and whether the child engages in lessons or activities;

2. routines, which includes seven items assessing the extent to which the child eats and goes to bed at the same time each day and whether household chores are done at a regular time;

3. parental expectations, which includes five items assessing the extent to which the parent expects the child to make his or her bed, clean up, and bathe without help;

4. parent-child interaction, which is an interviewer assessment of five items assessing the extent to which the parent conveyed positive feelings about the child, answered the child's questions, and encouraged the child to contribute to the conversation;

[1]A fourth item was included in the survey instrument: "My child feels safe and secure." However, inclusion of this item reduced the internal reliability of the scale to .59. Therefore, this item was excluded from the summary score.

[2]Bradley and Caldwell, 1984.

[3]Baker et al., 1993.

[4]Polit, 1996.

5. physical environment, which is an interviewer assessment of five items assessing the quality of the home and neighborhood, including the extent to which the home is well lit and clean and the neighborhood is free of vandalism/abandoned buildings and has foliage.

Table D.1 lists all the items in the HOME scale for each of the subscales, along with factor loadings for each of the items. Subscales were determined based on the best empirical and theoretical fit to the data. The total score is based on the 30 items included in these five subscales.

Scores on all the subscales and the total score were computed by summing across the items that loaded on the factors. Scores were computed only for those respondents missing fewer than 25 percent of the total items in each of the scales. For those respondents with at least 75 percent of the items, the sum was computed by summing the items and multiplying the sum by the ratio of the number of items on the scale divided by the number of items minus the number of missing items (to account for missing data). Each subscale had moderate internal reliability, ranging from .56 to .72 for each of the subscales.[5] These are listed at the bottom of Table D.1. For the total score, $\alpha = .72$ for the 30-item scale, indicating good internal reliability.

Parenting Behavior. Parenting behavior is measured by three scales measuring warmth, harshness, and supervision.

Warmth. Parental warmth was measured using three items assessing the number of times the child was shown physical affection, praised, and praised to other adults over the past week. The scale was computed only for those observations missing none of the total items in the scale. The total score was computed as the average across the three items. Items were rescaled to a 4-point scale ranging from 1 to 4, in which where 1 corresponds to "0 times," 2 to "1-6 times," 3 to "7 times" or "everyday," and 4 to "all of the time." The scale had good internal consistency, with $\alpha = .75$ for the three-item scale.

Harshness. Harshness was measured using six items assessing the number of times in the last week the respondent lost his or her temper, scolded or yelled, spanked, or grounded the child; took away privileges from the child; or sent the child to his or her room. Items were rescaled to a 4-point scale ranging from 1 to 4, in which 1 corresponds to "0 times," 2 to "1 time," 3 to "2-6 times," and 4 to "7 or more times." For respondents who had answered 75 percent of the items, the total score was computed as the average across the nonmissing items. The scale had moderate internal consistency, with $\alpha = .67$.

[5]Information on the items and internal reliability for the three scales created to be comparable to studies in the Project on State-Level Child Outcomes are provided in Table D.1.

Table D.1

Florida's Family Transition Program

Items and Factor Loadings for HOME Subscales

	Routine Behavior	Cognitive Stimulation	Physical Environment	Parental Expectations	Parent-Child Interaction
Items in total scale					
How often does family eat breakfast at regular time?[a]	**0.63**				
How often does child have breakfast at regular time?	**0.63**				
How often does family eat the evening meal together?[a]	**0.58**				
How often is evening meal served at a regular time?[a]	**0.69**				
How often do chores get done at a regular time?	**0.57**				
How often do children go to bed at regular time?[a]	**0.55**				
How often do special things with children at bedtime?[a]	**0.48**				
How often do you read stories to child?[bc]	0.34	**0.30**			
How often do you and child go to the library?	0.30	**0.31**			
How often does your family get a newspaper?[c]		**0.43**			
How often does child read for enjoyment?[c]		**0.35**			
How many books does child have?[c]		**0.48**			
Is there a musical instrument that child can use?[c]		**0.44**			
Does the family encourage hobbies?		**0.49**			
Does child get special lessons?		**0.52**			
Neighborhood is attractive looking?[d]		0.40	**0.31**		
Interior of the home is dark or monotonous?[c]			**0.61**		
All visible rooms of home are reasonably clean?[c]			**0.80**		
Visible rooms of the home are uncluttered?[c]			**0.76**		
Building has potentially dangerous hazards?[c]			**0.53**		
How often is child expected to make own bed?				**0.70**	
How often is child expected to clean own room?				**0.71**	
How often is child expected to clean up after spills?				**0.70**	
How often is child expected to bathe himself/herself?				**0.56**	
How often is child expected to pick after himself/herself?[e]				**0.67**	
Encouraged child to contribute to the conversation?					**0.65**
Answered child's questions or requests verbally?					**0.71**
Conversed with child excluding scolding?					**0.80**
Introduced interviewer to child by name?					**0.57**
Vocally conveyed positive feeling about child?					**0.61**
How often does family get together with relatives or friends?[e]					
Number of times spanked child in past week?[e]					
Cronbach coefficient alpha for scale	0.72	0.56	0.64	0.72	0.68

(continued)

Table D.1 (continued)

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Only factor items with loadings above |.30| are shown.

Bolded factor loadings indicate items that were used to create respective scales.

Except as otherwise noted, items were included on the factors in which they most highly loaded.

[a]These items were used to create the HOME-Family Routines scale for the Project on State-Level Child Outcomes. For the scale, alpha = .64.

[b]This item was included in the cognitive stimulation scale to be consistent with a priori theory.

[c]These items were used to create the HOME-Cognitive Stimulation scale for the Project on State-Level Child Outcomes. Three additional items reflecting how often the child has been taken to a musical or theatrical performance, how often the child has been taken to a museum, and whether TV programs are discussed with the child were also included in this scale. For the scale, alpha = .52.

[d]This item was included in the physical environment scale to be consistent with a priori theory.

[e]These items were used to create the HOME-Emotional Support index for the Project on State-Level Child Outcomes. Four additional items reflecting how often the child eats meals with both respondent and father/father figure, how often the child spends time in an outdoor activity with father/father figure, whether the child is spanked when he/she acts out, and whether the parent expects the child to do chores and self-care activities were also included in the scale. For the scale, alpha = .28.

Supervision. Parental supervision measures the extent to which parents know about their children's whereabouts and activities. The seven items used for this scale included "How often do you know who (CHILD) is with?" "How often do you know when to expect (CHILD) home?" "How often do you know where (CHILD) is when he/she is not at home?" "How often do you know which TV programs (CHILD) watched?" and "How often do you know whether (CHILD) finished any homework?" The scale for each item ranged from 1 "almost never" to 5 "always." The average of the seven items was computed for all cases with responses to at least 75 percent of the items for this scale. Higher scores indicated greater parental supervision. The scale had high internal consistency, with $\alpha = .82$.[6]

Depression. Parents were asked about the number of days they had experienced each of 20 depressive symptoms, using items from the Center for Epidemiology Studies-Depression (CES-D) scale.[5] Each item was asked on a scale of 1 ("rarely [less than 1 day]") to 4 ("most [5-7] days"). Items were rescored to range from 0 to 3, with high scores indicating more depressive symptoms. A summary score was computed by summing across the 20 items (for individuals with less than 25 percent of items nonmissing). For individuals missing some items, summary scores were multiplied by the ratio of 20 divided by 20 minus the number of missing items. Radloff (1977) has identified a threshold (a score of 16 out of 60) at or above which scores may be indicative of clinical depression. Parents who scored above this cut-off were scored as 100 ("at risk of depression"), and parents at or below this score were scored as 0 ("not at risk"). This scale demonstrated very high internal consistency ($\alpha = .90$).

Aggravation. Six items were included in the parental aggravation scale. Items indicated the extent to which mothers felt that children were hard to care for, mothers were angry with their children, mothers felt trapped by their children, or the child does things that really bother the parent. Responses to the items ranged from 1 ("all of the time") to 4 ("none of the time"). Items were rescored so that high scores indicated greater parental aggravation. Total scores were computed by averaging the items on the scale (for parents with at least 75 percent of the items on the scale completed). Another score, based on the sum of the items, was created to compute the dichotomous measure. For this summary score, scores based on fewer than the six items were multiplied by the ratio of 6 divided by 6 minus the number of missing items. Parents whose total scores were above 16.5 were scored as 100 ("highly aggravated"). Parents below that value were scored as 0. The aggravation scale had good internal consistency, with $\alpha = .77$.[7]

School Engagement. School engagement was measured using four items examining children's investment in school. Items included the extent to which the child "does just enough homework to get by" and "only works on schoolwork when forced to." Responses ranged from 1 ("not true") to 3 ("often true"). Items were rescored so that high scores indicated greater engagement in school. Summary scores were computed by summing across the four items on the scale for parents with answers to at least three of the four items. (For parents with only three responses, a summary score was computed by multiplying the sum by 4/3.) The school engagement scale had good internal consistency, with alpha = .76.

Behavior Problems. Behavior problems was measured from the 28-item Behavioral Problems Index (BPI) which was used in the NLSY.[8] A total score and two subscales were computed for the 28 items.

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[6]The supervision scale created to be comparable to the studies in the Project on State-Level Child Outcomes included four items ($\alpha = .74$).

[5]Radloff, 1977.

[7]The aggravation scale created to be comparable to the studies in the Project on State-Level Child Outcomes included four items ($\alpha = .67$).

[8]Peterson and Zill, 1986.

An *externalizing behavior subscale* was created to assess the extent to which the child engaged in acting out and aggressive behaviors. An *internalizing behavior subscale* assessed the extent to which the child was anxious or depressed. Table D.2 lists all the items on the scale, and the factor loadings for the items on the two subscales were based on a maximum likelihood extraction with procrustes rotation (an oblique rotation method), using a target matrix based on a priori theory and existing research. Each item was scored on a 3-point scale ranging from 1 ("not true") to 3 ("often true"). The total score and both subscales had very good internal consistency, with $\alpha = .92$ for the total score, .85 for the externalizing subscale, and .82 for the internalizing subscale.

The total score and the subscales were computed by summing the scores on the items on each of the scales. Summary scores were computed for all respondents with at least 75 percent of the items scored. Respondents with missing items were scored by multiplying the sum of the items completed by the ratio of the total number of items divided by the difference between the number of items and the number of missing items.

Positive Behavior. Positive behavior was scored using a 7-item subset of the 25-item Positive Behavior Scale (PBS).[9] Example items included "My child is warm, loving," "My child gets along with other children," "My child is helpful and cooperative." This scale was included to assess the positive aspects of children's behavior and should not be regarded as merely the inverse of the Behavioral Problem Index. Children who score low on problem behaviors may or may not be engaging in positive behavior. This scale measures the extent to which children are engaging in positive social behavior with their peers.

Respondents answered items on an 11-point scale ranging from 0 ("not at all like my child") to 10 ("completely like my child"). Scales were computed only for those respondents missing fewer than 25 percent of the total items in the scale. Summary scores were computed by summing the scores on the seven items. Scores based on fewer than seven items were multiplied by the ratio of 7 divided by the difference between 7 and the number of missing items. The internal consistency of the scale was very high ($\alpha = .91$).

High Positive Behavior and High Behavior Problems. Measures of dispersion were also constructed for each of the PBS and BPI outcomes. Respondents with values greater than the full sample 75th percentile were scored as "high" on the scale. For the PBS, the 75th percentile corresponded to a score of 68; for the BPI, the 75th percentile corresponded to a score of 15. Respondents with scores at or above these values were scored as high on that scale and given a score of 100. Respondents with lower scores received a score of 0.

[9] Polit, 1996.

Table D.2

Florida's Family Transition Program

Items and Factor Loadings for BPI Subscales

	Internalizing Behavior	Externalizing Behavior
Items in total scale		
Has sudden changes in mood or feelings	**0.36**	
Feels or complains that no one loves him or her	**0.34**	
Is rather high strung, tense, and nervous	**0.45**	
Is too fearful or anxious	**0.60**	
Is easily confused, seems to be in a fog	**0.47**	
Feels worthless or inferior	**0.51**	
Has obsessions	**0.53**	
Is unhappy, sad or depressed	**0.75**	
Is withdrawn, does not get involved with others	**0.63**	
Clings to adults	**0.42**	
Cries too much	**0.55**	
Demands a lot of attention	**0.42**	
Is too dependent on others	**0.55**	
Cheats or tells lies		**0.42**
Argues too much		**0.56**
Bullies or is cruel or mean to others		**0.62**
Is disobedient at home		**0.68**
Does not seem to feel sorry after misbehavior		**0.55**
Has trouble getting along with other children		**0.64**
Is impulsive, or acts without thinking		**0.55**
Has a very strong temper and loses it easily		**0.34**
Breaks things on purpose		**0.31**
Is disobedient at school		**0.60**
Has trouble getting along with teachers		**0.51**
Has difficulty concentrating and paying attention	0.35	0.34
Is not liked by other children	0.34	0.31
Is restless or overly active, cannot sit still	0.31	0.40
Is stubborn, sullen, or irritable		0.44
Cronbach coefficient alpha for scale	0.82	0.85

SOURCE: MDRC calculations from the four-year client survey.

NOTES: Only factor items with loadings above |.30| are shown.
Bolded factor loadings indicate items that were used to create respective scales.
Items were included on the factors in which they most highly loaded.

Table D.3

Florida's Family Transition Program

Selected Characteristics of Children in the FTP Study and in the National Survey of America's Families

		NSAF, Less than 200% of Poverty		NSAF, All Incomes	
Outcome (%)	AFDC[a]	Florida	United States	Florida	United States
Child functioning					
Children with high levels of behavioral and emotional problems[b]	7.6	8.4	9.6	7.9	6.5
Children highly engaged in school[c]	10.2	33.1	38.2	39.9	43.3
Child environment					
Reading stories to children[d]	49.5	25.4	24.0	16.2	16.8
Children who participated in extracurricular activities	38.6	71.0	72.5	80.7	82.7
Children living with a parent who felt highly aggravated[e]	14.7	17.2	13.7	11.9	9.0

SOURCES: MDRC calculations from the four-year survey. Urban Institute calculations from "Snapshots of America's Families," National Survey of America's Families, 1997, http://newfederalism.urban.org.

NOTES: [a]The sample includes focal children ages 5-12 at the time of the four-year interview, in families randomly assigned from August 1994 to February 1995.

[b]The NSAF collected six items for this variable with scores which range from 6 to 18, with 12 or less measuring "greater behavioral and emotional problems." The equivalent measure using the FTP four-year survey data is created from five of the six NSAF items and ranges from 5 to 15, with 10 or less measuring "greater behavioral and emotional problems."

[c]The measure created with the NSAF ranges from 4 to 16, with 15 or greater indicating "highly engaged." The measure created with the FTP four-year survey data ranges from 3 to 12, with 11 or greater meaning "highly engaged."

[d]The measure created with the NSAF is for children ages 1-5.

[e]This outcome is created from the sum of four items. Mothers were asked if they felt the child is hard to care for, the child does things that bother her, she feels like she is giving up her life for her child, or if she felt angry with her child. The range of the sum is 1 to 16. Being highly aggravated is defined as 11 or lower.

Appendix E

Effect Sizes for Impacts on Child and Family Functioning

In this appendix, the "effect sizes" of the impacts discussed in Chapters 5 and 6 are presented. These effect sizes can be used to understand the magnitude of the effects presented in these chapters and to compare the effects in this study with those of other studies.

Effect sizes are computed by dividing the impact (the difference between the AFDC and FTP groups) by the standard deviation, or average variation, in the AFDC group. The absolute value of the effect size provides a standard measure of the effect of FTP that can be used to compare outcomes measured on very different scales. A larger absolute value indicates a larger impact of the program on that outcome; a smaller one indicates a smaller effect.

Based on the nonexperimental literature, effect sizes of .1, .3, and .5 are considered to be small, medium, and large, respectively.[1] Some recent work has suggested that these benchmarks are relatively high compared with the effects of programs like FTP that target adults, rather than children directly.[2] Compared with intervention studies aimed at adults and indirectly at children, .1, .2, and .3 may be more reasonable estimates for small, medium, and large effects. It is noteworthy, however, that the effect size indicates how much of an effect the program may have but not how important that effect is. The importance of the effect depends both on the size of the effect and on the extent to which that effect is associated with long-term outcomes for children and families.

Tables E.1 to E.16 include the effect sizes of the impacts discussed in detail in Chapters 5 and 6. Next to the impact (the difference between the FTP and AFDC group levels), the effect size of the impact is listed.

[1]Cohen, 1988; Lipsey, 1990.

[2]Bos et al., 1999; Hamilton, 2000; Gennetian and Miller, 2000; Morris and Michalopoulos, 2000.

Table E.1

Florida's Family Transition Program

Summary of Impacts on Child Care at the Four-Year Follow-Up for All Children, by Child Age

	Ages 0-4		Ages 5-12		Ages 13-17	
Outcome	Difference[a]	Effect Size	Difference[a]	Effect Size	Difference[a]	Effect Size
Type of child care arrangment in last month						
Currently any child care (%)[b]	6.9 *	0.14	4.4 **	0.09	1.6	0.05
Currently any relative care (%)	2.7	0.06	3.1 *	0.07	-0.2	-0.01
Currently any nonrelative care (%)	2.5	0.10	0.0	0.00	0.8	0.11
Currently any formal care (%)	0.8	0.02	1.7	0.06	0.6	.
Extent of child care in a typical week						
Number of hours in child care	2.6 *	0.14	0.4	0.03	-0.3	-0.04
0 hours in child care (%)	-5.9	-0.12	-4.0 **	-0.08	0.0	0.00
Less than 20 hours in child care (%)	-1.6	-0.05	4.4 ***	0.12	0.8	0.04
20 or more hours in child care (%)	7.5 **	0.16	-0.4	-0.01	-0.8	-0.04
Out-of-school activities						
In any after-school activity (%)	2.5	0.17	2.4	0.05	2.3	0.05
Sample size (total = 3,698)	656		2,301		741	

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 0-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

[b]Child care types are not mutually exclusive.

Table E.2

Florida's Family Transition Program

FTP's Impact on Past Child Care Use at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Type of child care arrangement, months 38 - 49				
Ever any child care (%)	65.1	59.6	5.5 *	0.11
Ever any relative care (%)	44.4	38.0	6.4 **	0.13
Ever any nonrelative care (%)	9.5	9.5	0.1	0.00
Ever any formal care (%)	26.7	22.1	4.6 *	0.11
Extent of child care use, months 38 - 49				
Total months in relative care	4.2	3.5	0.7 **	0.13
Total months in nonrelative care	0.8	0.9	-0.1	-0.03
Total months in formal care	2.2	1.9	0.3	0.08
Stability of care, months 38 - 49				
Any care continuous for 6 months (%)	54.0	48.1	5.8 **	0.12
Self-care				
Any self-care in last two years	8.0	7.1	0.9	0.04
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.3

Florida's Family Transition Program

FTP's Impact on Primary Child Care Arrangements at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Type of primary child care arrangement				
Any relative care	27.8	22.4	5.4 **	0.13
Care by parent's partner	1.1	0.4	0.7	0.12
Care by noncustodial biological parent	1.0	0.3	0.6	0.10
Care by grandparent	15.8	14.8	1.0	0.03
Sibling care	4.7	1.9	2.8 ***	0.20
Care by other relative	5.3	5.0	0.3	0.01
Any nonrelative care	5.2	5.7	-0.4	-0.02
Care by nonrelative in child's home	2.4	3.2	-0.7	-0.04
Care by nonrelative in other home	2.8	2.5	0.3	0.02
Any formal care	10.1	9.9	0.2	0.01
Center care	5.2	5.1	0.1	0.00
Extended day programs	4.3	4.2	0.1	0.00
Summer care, camp, or school	0.6	0.5	0.0	0.01
Quality of primary child care arrangement				
Perception of high-quality care (%)	33.5	29.0	4.4	0.10
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.4

Florida's Family Transition Program

FTP's Impacts on Child Care Payments for Families and Child Care Subsidy Assistance for Children Ages 5-17, by Child Age

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Amount paid for care per child last month ($)	20	21	-1	-0.01
Ever quit job/school/training because of problems with child care (%)	19.7	23.6	-3.9 *	-0.09
Informed about transitional child care subsidies (%)	67.1	53.7	13.5 ***	0.27
Sample size (total = 1,590)	*798*	*792*		
Child care subsidies				
Children ages 5-12 at the four-year survey				
Percent for whom subsidy was provided				
Year 1	56.2	22.5	33.7 ***	0.81
Year 2	46.8	20.8	26.1 ***	0.64
Year 3	27.9	15.2	12.8 ***	0.35
Year 4	7.8	6.9	0.9	0.03
Sample size (total = 1,928)	*953*	*975*		
Percent of focal children in formal care for whom subsidy was provided[a]	24.3	24.7	-0.3	-0.01
Sample size (total = 249)	*134*	*115*		
Percent of focal children in informal care for whom subsidy was provided[a]	6.2	4.4	1.9	0.09
Sample size (total = 471)	*244*	*227*		
Children ages 13-17 at the four-year survey				
Percent for whom subsidy was provided[b]				
Year 1	21.1	5.5	15.6 ***	0.65
Year 2	12.2	4.9	7.3 ***	0.33
Year 3	4.3	1.5	2.8 *	0.22
Sample size (total = 596)	*285*	*311*		

SOURCE: MDRC calculations from the child care subsidy data.

NOTES: The sample includes children ages 5-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

[a]Participation in formal and informal care includes participation in months 38-49 of the follow-up period, roughly corresponding to the fourth year of follow-up.

[b]There is no year 4 subsidy included because no children were eligible for child care subsidies at that time.

Table E.5

Florida's Family Transition Program

FTP's Impacts on Child Care Subsidy Assistance over the Four-Year Follow-Up for Children Ages 5-17

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
FTP/PI-related subsidy				
Provided with subsidy, years 1-4 (%)	51.9	20.5	31.4 ***	0.77
Average amount received year 1 ($)	284	61	223 ***	1.08
Average amount received year 2 ($)	233	40	193 ***	1.13
Average amount received year 3 ($)	38	15	24 ***	0.26
Average amount received year 4 ($)	3	5	-2	-0.04
Transitional child care subsidy				
Provided with subsidy, years 1-4 (%)	22.0	13.5	8.6 ***	0.25
Average amount received year 1 ($)	53	52	1	0.00
Average amount received year 2 ($)	95	48	46 ***	0.23
Average amount received year 3 ($)	47	23	23 ***	0.16
Average amount received year 4 ($)	30	8	22 ***	0.31
Income-eligible child care subsidy				
Provided with subsody, years 1-4 (%)	3.4	6.5	-3.1 ***	-0.13
Average amount received year 1 ($)	4	9	-5 *	-0.05
Average amount received year 2 ($)	1	22	-21 ***	-0.14
Average amount received year 3 ($)	5	13	-8 ***	-0.08
Average amount received year 4 ($)	8	34	-26 ***	-0.11
Protective services child care subsidy				
Provided with subsidy, years 1-4 (%)	2.9	2.2	0.7	0.05
Sample size (total = 2,524)	1,286	1,238		

SOURCE: MDRC calculations from the child care subsidy data.

NOTES: The sample includes children ages 5-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.6

Florida's Family Transition Program

FTP's Impact on Father Contact at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Noncustodial biological father contact				
Bought something for child in last year (%)	37.4	35.6	1.8	0.04
Cared for child in last year (%)	30.8	25.6	5.1 *	0.12
Contacted child by phone/letter in last year (%)	49.1	47.0	2.1	0.04
Sees child weekly (%)	15.1	11.9	3.2	0.10
Sees child monthly (%)	10.2	10.7	-0.5	-0.02
Sees child 1-11 times per year (%)	24.8	24.0	0.7	0.02
Does not see child (%)	40.0	41.8	-1.7	-0.03
Noncustodial biological father financial support				
Has formal child support order (%)	45.8	41.2	4.6	0.09
Received money from father through child support agency in the last year (%)	27.8	22.7	5.1 **	0.12
Received money directly from father in the last year (%)	16.0	12.9	3.2	0.09
Regularly received money directly from father in the last year (%)	11.8	8.5	3.2 *	0.12
No noncustodial biological father				
Father in the home (%)	7.2	9.6	-2.4	-0.08
Father deceased (%)	2.7	2.0	0.8	0.06
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.7

Florida's Family Transition Program

Summary of Impacts on Child Care at the Four-Year Follow-Up for 5- to 17-Year-Old Children, by Welfare Dependency Subgroups

Outcome	Least at Risk Difference[a]		Least at Risk Effect Size	Medium Risk Difference[a]	Medium Risk Effect Size	Most at Risk Difference[a]		Most at Risk Effect Size	Variation in Subgroup Impacts
Child care use									
Type of child care arrangement, all children 5-17									
Any child care (%)	-1.9		-0.04	3.7	0.08	7.0	***	0.15	
Any relative care (%)	-7.3	*	-0.18	1.8	0.04	8.7	***	0.22	***
Any nonrelative care (%)	-2.4		-0.12	0.3	0.02	0.5		0.02	
Any formal care (%)	3.9	*	0.15	1.9	0.07	-0.8		-0.03	
Sample size (total= 3,042)	*569*			*1,383*		*1,090*			
Type of child care arrangement, months 38-49, focal children									
Ever any child care (%)	3.7		0.08	5.3	0.11	4.5		0.09	
Ever any relative care (%)	1.4		0.03	2.9	0.06	12.7	**	0.26	
Ever any nonrelative care (%)	3.5		0.12	0.9	0.03	-4.2		-0.14	
Ever any formal care (%)	6.9		0.16	6.1	0.15	1.7		0.04	
Sample size (total= 1,108)	*207*			*536*		*365*			
Child care quality and stability, focal children									
Quality of primary care	5.0		0.11	4.0	0.09	0.6		0.01	
Any continuous care for 6 months	4.9		0.10	4.2	0.08	7.2		0.14	
Sample size (total= 1,108)	*207*			*536*		*365*			

(continued)

Table E.7 (continued)

Outcome	Least at Risk Difference[a]		Least at Risk Effect Size	Medium Risk Difference[a]		Medium Risk Effect Size	Most at Risk Difference[a]		Most at Risk Effect Size	Variation in Subgroup Impacts
Child care subsidy assistance, all children ages 5-17										
Provided with FTP/PI-related subsidy, years 1-4 (%)	25.6	***	0.63	33.6	***	0.83	29.8	***	0.74	
Provided with transitional child care subsidy, years 1-4 (%)	7.2	**	0.21	11.6	***	0.34	3.9		0.11	*
Provided with income-eligible child care subsidy, years 1-4 (%)	-0.4		-0.02	-3.4	***	-0.14	-4.0	***	-0.16	
Provided with protective services child care, years 1-4 (%)	2.7	**	0.19	0.3		0.02	0.2		0.02	
Sample size (total = 2,524)	*464*			*1,136*			*924*			

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.
Rounding may cause slight discrepancies in sums and differences.

[a]A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. No significant differences across subgroups were found on the outcomes presented in this table.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

Table E.8

Florida's Family Transition Program

Summary of Impacts on Father Involvement for Focal Children at the Four-Year Follow-Up, by Welfare Dependency Subgroups

Outcome	Least at Risk Difference[a]	Least at Risk Effect Size	Medium Risk Difference[a]	Medium Risk Effect Size	Most at Risk Difference[a]	Most at Risk Effect Size	Variation in Subgroup Impacts
Noncustodial biological father contact							
Bought something for child in last year (%)	-1.2	-0.02	1.3	0.03	4.5	0.09	
Cared for child in last year (%)	1.8	0.04	5.8	0.13	7.5	0.17	
Contacted child by phone/letter in last year (%)	5.6	0.11	-4.8	-0.10	10.1 **	0.20	*
Noncustodial biological father financial support							
Received money from father through child support agency in the last year (%)	6.9	0.16	1.5	0.04	9.3 **	0.22	
Received money directly from father in the last year (%)	-0.5	-0.01	7.6 **	0.23	0.5	0.01	
Regularly received money directly from father in the last year (%)	5.1	0.18	1.2	0.04	4.4	0.16	
Sample size (total = 1,108)	207		536		365		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

Table E.9

Florida's Family Transition Program

FTP's Impact on Home Environment at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Total HOME scale	72.9	72.6	0.2	0.03
HOME routines subscale	17.3	17.3	0.1	0.02
HOME cognitive subscale	16.8	16.8	0.0	0.01
HOME expectations subscale	13.6	13.6	0.0	-0.01
HOME parent-child interaction subscale	12.2	12.5	-0.3	-0.11
HOME physical environment subscale	13.4	13.0	0.3 **	0.15
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.10

Florida's Family Transition Program

FTP's Impact on Domestic Abuse, Emotional Well-Being, and Parenting Behavior at the Four-Year Follow-Up for Parents of Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Parental domestic abuse				
Abuse by intimate partner last year (%)	23.5	24.5	-1.0	-0.02
Abuse by other person last year (%)	18.4	19.3	-0.9	-0.02
Ever any abuse since random assignment (%)	42.0	42.8	-0.8	-0.02
Parental emotional well-being				
Depression scale	14.0	14.1	-0.1	-0.01
At risk of clinical depression (%)	37.1	39.1	-1.9	-0.04
Aggravation scale	1.6	1.6	0.0	-0.01
Highly aggravated (%)	5.0	4.2	0.8	0.04
Parenting behavior				
Warmth scale	3.0	3.0	0.0	0.05
Harsh-parenting scale	1.7	1.6	0.0	0.08
Supervision scale	4.6	4.6	-0.1 **	-0.14
Sample size (total = 1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes parents of children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.11

Florida's Family Transition Program

FTP's Impact on School Outcomes at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Parental expectation of college completion (%)	85.0	84.6	0.4	0.01
Average achievement	4.1	4.0	0.1	0.09
Below average (%)	7.4	9.5	-2.1	-0.07
Above average (%)	69.7	66.0	3.7	0.08
Engagement in school	10.2	10.2	0.0	0.00
Since random assigment, child:				
Ever in special education (%)	12.3	10.1	2.2	0.07
Ever repeated a grade (%)	25.8	24.8	1.0	0.02
Ever suspended (%)	8.2	8.8	-0.6	-0.02
Ever expelled (%)	0.7	0.2	0.5	0.13
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.12

Florida's Family Transition Program

FTP's Impact on Child Behavior and Health at the Four-Year Follow-Up for Focal Children

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
Behavioral Problems Index				
Total score	10.8	10.9	-0.1	-0.01
Externalizing subscore	4.3	4.3	0.1	0.01
Internalizing subscore	4.4	4.6	-0.2	-0.04
High behavior problems (%)	28.7	26.3	2.4	0.05
Positive Behavior Scale				
Total score	59.0	60.2	-1.2 *	-0.11
High positive behaviors (%)	26.0	26.3	-0.4	-0.01
Health and safety				
General health	4.2	4.1	0.1 *	0.09
In poor health (%)	3.5	6.2	-2.7 **	-0.11
Had accident/injury that required an emergency room visit since random assignment (%)	14.7	14.3	0.4	0.01
Sample size (total =1,108)	543	565		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 5-12 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.13

Florida's Family Transition Program

Summary of Impacts on Child Outcomes at the Four-Year Follow-Up for All Children Ages 13-17

Outcome	FTP Group	AFDC Group	Difference (Impact)	Effect Size
School outcomes				
Average achievement	3.7	3.9	-0.2 *	-0.14
Below average (%)	14.8	10.9	3.9	0.13
Since random assignment, child:				
Ever in special education (%)	18.7	15.4	3.3	0.09
Ever suspended (%)	40.7	32.7	8.0 **	0.17
Ever expelled (%)	6.4	5.8	0.5	0.02
Police involvement outcomes				
Child ever arrested (%)	9.6	9.2	0.4	0.01
Child ever found guilty (%)	6.0	5.7	0.3	0.01
Fertility outcome				
Since random assignment:				
Child ever had a baby (%)	2.8	3.3	-0.5	-0.03
Sample size (total = 741)	367	374		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes children ages 13-17 at the time of the four-year interview in families who were randomly assigned from August 1994 to February 1995.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

Table E.14

Florida's Family Transition Program

Summary of School Impacts at the Four-Year Follow-Up for All Children Ages 5 - 17, by Welfare Dependency Subgroups

	Least at Risk		Medium Risk		Most at Risk		Variation in
Outcome	Difference[a]	Effect Size	Difference[a]	Effect Size	Difference[a]	Effect Size	Subgroup Impacts
Average achievement	-0.3 ***	-0.28	0.1	0.06	0.1	0.06	***
Below average (%)	6.4 **	0.22	0.3	0.01	-3.0	-0.10	**
Since random assignment, child:							
Ever in special education (%)	2.2	0.07	2.9	0.09	-0.5	-0.02	
Sample size (total= 3,042)	*569*		*1383*		*1090*		
Ever suspended (ages 10 and older) (%)	12.3 **	0.28	-0.9	-0.02	1.0	0.02	*
Ever expelled (ages 10 and older) (%)	3.0	0.18	3.2 **	0.18	-2.1	-0.12	**
Sample size (total= 1,425)	*344*		*628*		*453*		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 5-17 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and the FTP group sample sizes.

Table E.15

Florida's Family Transition Program

Summary of Impacts on Family and Child Outcomes at the Four-Year Follow-Up for Focal Children, by Welfare Dependency Subgroups

	Least at Risk		Medium Risk		Most at Risk		Variation in
Outcome	Difference[a]	Effect Size	Difference[a]	Effect Size	Difference[a]	Effect Size	Subgroup Impacts
Home environment and family functioning							
HOME scale	-1.1	-0.15	-0.4	-0.05	1.2	0.16	
At risk for depression (%)	5.9	0.12	-0.4	-0.01	-8.7 *	-0.18	
Warmth scale	-0.1	-0.13	0.1 *	0.15	0.0	-0.01	
Harsh-parenting scale	-0.1	-0.13	0.1	0.14	0.0	0.06	
Supervision scale	-0.3 ***	-0.58	0.0	-0.10	-0.1	-0.12	**
Children's outcomes							
Parental expectation of college completion (%)	-8.7 **	-0.24	0.7	0.02	6.2	0.17	**
Average achievement	-0.3 **	-0.31	0.2 **	0.19	0.2 *	0.20	***
Below average (%)	2.8	0.09	-1.6	-0.05	-7.7 **	-0.26	*
Ever suspended since random assignment (%)	-5.9	-0.21	-0.7	-0.03	1.1	0.04	
Behavior problems	1.3	0.15	0.0	0.00	-0.8	-0.09	
High behavior problems (%)	11.6 *	0.26	1.0	0.02	0.8	0.02	
Positive behavior	-1.9	-0.18	-1.3	-0.12	-1.2	-0.12	
High positive behavior (%)	-11.7 **	-0.26	4.0	0.09	-2.3	-0.05	*
Sample size (total=1,108)	207		536		365		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 5-12 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

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

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

"Ever expelled" could not be calculated because of low incidence.

[a]Sample size in this column is the sum of the AFDC group and FTP group sample sizes.

Table E.16

Florida's Family Transition Program

Summary of Behavior Impacts at the Four-Year Follow-Up for All Children Ages 10 - 17, by Welfare Dependency Subgroups

	Least at Risk		Medium Risk		Most at Risk		Variation in
Outcome	Difference[a]	Effect Size	Difference[a]	Effect Size	Difference[a]	Effect Size	Subgroup Impacts
Police involvement outcomes							
Since random assignment:							
Any child in the family ever involved with police (%)	10.2 **	0.30	-5.2	-0.15	-2.3	-0.07	**
Sample size (total= 906)	*235*		*406*		*265*		
Child ever arrested (%)	6.3 **	0.31	-1.5	-0.08	-0.1	-0.01	
Child ever convicted (%)	6.8 *	0.42	-1.5	-0.09	-0.8	-0.05	
Sample size (total= 939)	*186*		*394*		*359*		
Fertility outcome							
Since random assignment:							
Child ever had a baby (%)[b]	0.6	0.04	-0.4	-0.03	-2.0	-0.13	
Sample size (total= 962)	*250*		*421*		*291*		

SOURCE: MDRC calculations from the four-year client survey.

NOTES: The sample includes families with children ages 10-17 at the time of the four-year interview who were randomly assigned from August 1994 to February 1995.

A two-tailed t-test was applied to regression-adjusted impact estimates. Statistical significance levels are indicated as ***=1 percent; **=5 percent; *=10 percent. Standard errors were adjusted to account for shared variance between siblings.

Sample size may slightly vary for each outcome variable due to missing data.

Rounding may cause slight discrepancies in sums and differences.

A statistical test was performed to determine whether the variation in impacts across subgroups was statistically significant at the 10 percent level or greater. These results are presented in the "variation in subgroup impacts" column. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

[a]Sample size in this column is the sum of the AFDC group and FTP group sample sizes.

[b]Outcome assesses children 12 or older at four-year follow-up.

Appendix F

The Post-Time-Limit Follow-Up Study

The post-time-limit study, a component of the FTP project, is aimed at increasing understanding about the economic and social circumstances of people who reached FTP's time limit and could no longer collect welfare cash benefits. As part of this study, MDRC conducted in-person interviews with a subsample of FTP participants around the time individuals reached the time limit and then 6, 12, and 18 months later. Findings from the end-of-time-limit interview and the 18-month post-time-limit follow-up interview are presented in Chapter 7 of this report. This appendix describes how the post-time-limit study sample was identified, recruited, and tracked for the series of interviews.

I. Sample

FTP recipients were eligible for the post-time-limit study if they met one of the following two criteria: (1) the participant had received the final welfare benefit (the 24th for the 24-month participants, the 36th for those with a three-year clock) during the period of study (November 1996 to May 1997 for the 24-month cohort; June 1997 to February 1998 for those with a 36-month limit) or (2) the participant was close to (that is, two to four months away from) the time limit during the study period. Based on these criteria, 89 people were identified as eligible for the study. Seventy were located and agreed to take part in the end-of-time-limit interviews; fifty-four completed the 18-month follow-up interview.

II. The End-of-Time-Limit Interview

The end-of-time-limit interviews were conducted in person, most within 30 to 60 days following the termination of benefits. For those who had exited welfare before reaching the time limit — with a couple months pending — this interview was conducted within two months of the receipt of the last check. Interviews lasted between one and two hours. A semi-structured questionnaire was developed for this study, and the interviews were conducted by a traditional survey interviewer; nonetheless, the interviewer maintained a conversational tone and invited discussion on some of the open-ended questions.

The interviewer tried to reach all the FTP participants identified as eligible for the end-of- time-limit interview. About two weeks before the interview, letters were mailed out to all eligible sample members explaining the study, assuring confidentiality, offering an incentive of $30, and asking them to call back (collect) if they had questions. The interviewer then attempted to reach each respondent by phone to set up an appointment; where telephone contact could not be made — because the respondent did not have phone, or the phone had been disconnected, or the number had changed and the new number could not be ascertained — the interviewer attempted to contact the recipient by mail at the last known address. If the correspondence was returned with an updated address, an appointment card was redirected to the new address. The interviewer also traveled repeatedly to a respondent's neighborhood when necessary, in the hopes of speaking with the respondent if she still lived there, or of finding someone who could provide an updated address. Other sources — like the local phone and electric companies, credit bureaus, and the Department of Motor Vehicles — were also consulted. The majority of those not interviewed did not participate because they could not be reached. The 19 people who MDRC was unable to interview at the end-of-time-limit were about

evenly split between the two cohort groups: 10 were subject to a 24-month time limit; 9 had a 36-month limit.

Of the 70 sample members who did complete the end-of-time-limit interview, 87 percent received their last welfare check within the study time frame. The remainder exited FTP with one to four months remaining on their clock. The 70 respondents are a fairly representative subset of all 237 FTP participants who reached the time limit by June 1999. Appendix Table F.1 compares these two groups at random assignment in terms of their demographic characteristics, family status, work history, education, and housing and public assistance status.

III. The 18-Month Follow-Up Interview

The final round of follow-up interviews took place approximately 18 months after the end-of-time-limit interview. Seventy-seven percent (54) of the 70 respondents who spoke with MDRC at the end of their time limit also completed the 18-month follow-up interview. Members of the 24-month group proved easier to track than their 36-month counterparts. Twenty-nine of the 32 (91 percent) who completed the end-of-time-limit interview also completed the final follow-up interview. The retention rate was 66 percent for the 36-month group.

An experienced interviewer was hired to conduct the 18-month interviews. Interviews were conducted in respondents' homes whenever possible and took two hours on average. The interview protocol consisted of both closed- and open-response questions covering six content areas including the respondents' life history, employment, household composition and housing, income, expenses, and hardship. The interviews were conversational in both tone and organization, and respondents were encouraged to share related events and discussion topics.

Interviews were recorded with the permission of the respondent and were sent to a transcriptionist in preparation for content analysis. At the point of this report, all the 18-month interviews had been completed, but about only half of them had been transcribed. Following each interview, the interviewer also completed a one-page data sheet recording basic information about each respondent: demographics, income and income sources, employment, housing, hardships, and medical coverage and need. The interviewer also prepared a two- or three-page summary of the interview. This report offers a summary of the 18-month circumstances of 43 respondents based on the data sheet and summary information. A more comprehensive content analysis — drawing on the complete set of interview transcripts, daily schedules, and life satisfaction charts — will be offered in a future publication.

For this round of interviews, the ethnographer followed nearly the identical strategy for tracking down respondents as was employed for the first. (See Section II.) However, for this interview, the interviewer had one additional tracking resource: contact information collected from respondents at the end of each of the follow-up interviews. During the end-of-time-limit and the 6- and 12-month follow-up interviews, respondents were asked to provide names, addresses, and phone numbers of people with whom they stay in touch. When other tracking efforts failed, the interviewer sought the assistance of these contact people in locating respondents.

Table F.1

Florida's Family Transition Program

Demographic Characteristics at Random Assignment of the Post-Time-Limit Sample and Others Who Reached the Time Limit

Characteristic	FTP Post-Time-Limit Sample	Others Who Reached the Time Limit
Age (%)		
Less than 25	44.6	42.2
25-34	35.4	36.7
35 and over	20.0	21.1
Average age	28.2	28.3
Ethnicity (%)		
White, non-Hispanic	27.0	27.6
Black, non-Hispanic	69.8	70.3
Other	3.2	2.2
Family status		
Never married (%)	61.3	58.9
Number of children	2.1	2.2
Age of youngest child (%)		
Less than 2 years	47.5	52.2
3 -5 years	23.0	23.5
6 or more years	29.5	24.3
Educational status		
No high school degree (%)	52.4	47.2
Employment and earnings		
Employed in year prior to random assignment (%)	47.7	42.2
Average earnings in year prior to random assignment ($)	1137	1063
Welfare history (%)		
Less than 2 years	39.7	37.5
2 or more years	60.3	62.5
Housing status (%)		
Received housing assistance	41.3	35.3
Sample size (total =237)	70	237

SOURCE: MDRC calculations from the Baseline Information Forms.

NOTE: Baseline demographic information was not available for three members of the post-time-limit sample.

Sixteen respondents could not be interviewed for the final interview. Three refused the interview because they could not find the time (or did not want) to meet with the ethnographer, three had moved out of state, one could not be interviewed because of a language barrier, and another three could not be tracked (or located). In the case of six respondents, their whereabouts were known, but they did respond to the interviewer's contact attempts.

The 16 who did not complete the final interview were similar to those who were interviewed, in terms of selected characteristics measured at the time of random assignment to FTP. Nine of the 16 (56 percent) were working at the time of their end-of-time limit interview. Their hourly waged averaged $6.05, and their mean monthly earnings were $826. The average total income for the 16 nonrespondents was $986, compared with $857 for the 54 respondents who completed the 18-month interview.

The 16 also resembled the larger group of respondents in terms of demographics. The nonrespondents averaged 28 years in age at random assignment to FTP and had three children, which can be compared with 28 years of age and two children for the larger group. Sixty-three percent of those who were interviewed only once had never been married at random assignment. Sixty-one percent of the larger group had never married.

Table F.2

Florida's Family Transition Program

Employment in the Year Before and After the Time Limit for Families Who Reached the Time Limit

	Number of Quarters Worked After the Time Limit (%)					
Number of Quarters Worked Before the Time Limit (%)	0	1	2	3	4	Percentage Working Before the Time Limit
0	11.2	4.4	2.4	1.5	3.4	22.9
1	3.4	2.9	2.4	0.5	3.4	12.7
2	3.9	3.4	3.4	2.4	4.4	17.6
3	2.9	2.0	2.0	2.4	8.8	18.1
4	1.0	1.0	2.4	2.9	21.5	28.8
Percentage working after the time limit	22.4	13.7	12.7	9.8	41.5	100.0

Sample size (total= 205)

SOURCE: MDRC calculations from Florida Unemployment Insurance (UI) earnings records.

NOTE: Four quarters of post-exit follow-up data were available for 205 of the 237 FTP participants whose benefits ended at the time limit.

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