The Employment Retention and Advancement Project

Results from the Texas ERA Site

Karin Martinson

Richard Hendra

February 2006

MDRC is conducting the Employment Retention and Advancement project under a contract with the U.S. Department of Health and Human Services (HHS), funded by HHS under a competitive award, Contract No. HHS-105-99-8100. Additional funding has been provided by the U.S. Department of Labor (DOL). The Lewin Group, as a subcontractor, is helping to provide technical assistance to the sites. HumRRO, as a subcontractor, is fielding the client surveys.

Dissemination of MDRC publications is supported by the following funders that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: Alcoa Foundation, The Ambrose Monell Foundation, The Atlantic Philanthropies, Bristol-Myers Squibb Foundation, Open Society Institute, and The Starr Foundation. In addition, earnings from the MDRC Endowment help sustain our dissemination efforts. Contributors to the MDRC Endowment include Alcoa Foundation, The Ambrose Monell Foundation, Anheuser-Busch Foundation, Bristol-Myers Squibb Foundation, Charles Stewart Mott Foundation, Ford Foundation, The George Gund Foundation, The Grable Foundation, The Lizabeth and Frank Newman Charitable Foundation, The New York Times Company Foundation, Jan Nicholson, Paul H. O'Neill Charitable Foundation, John S. Reed, The Sandler Family Supporting Foundation, and The Stupski Family Fund, as well as other individual contributors.

The findings and conclusions presented herein do not necessarily represent the official position or policies of the funders.

For information about MDRC and copies of our publications, see our Web site: www.mdrc.org.

Copyright © 2006 by MDRC. All rights reserved.

Overview

Although much is known about how to help welfare recipients find jobs, little is known about how to help them and other low-wage workers keep jobs or advance in the labor market. This report assesses the implementation and two-year follow-up effects of a program in Texas that aimed to promote job placement, employment retention, and advancement among applicants and recipients in the Temporary Assistance for Needy Families (TANF) program. The Texas program is part of the Employment Retention and Advancement (ERA) project, which is testing 15 such programs across the country. The ERA project is being conducted by MDRC, under contract to the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor.

To encourage employment retention and advancement among working TANF leavers, the Texas ERA program provided job search assistance, pre- and postemployment case management, and a monthly stipend of $200. The program was evaluated in three sites — Corpus Christi, Fort Worth, and Houston — starting in 2000. The ERA evaluation uses a random assignment research design: Through a lottery-like process, eligible individuals were assigned either to a program group, whose members participated in the ERA program, or to a control group, whose members participated in Texas's standard welfare-to-work program (called "Choices"). The control group's outcomes tell what would have happened in the absence of the ERA program, providing benchmarks against which to compare the program group.

Key Findings

- **The ERA program was well implemented in Corpus Christi but experienced some operational difficulties in Fort Worth and Houston.** Across the sites, the control group participated in a relatively strong welfare-to-work program. ERA and Choices ended up being quite similar during the preemployment phase but had larger treatment differences during the postemployment phase, primarily due to the stipend. A significant effort was needed to market the stipend, and program staff increasingly made a good-faith effort to do so over time. In the end, however, this effort may have been insufficient, given that people needed to use up a four-month TANF earnings disregard before becoming eligible for the stipend. Among all those randomly assigned to ERA, stipend receipt rates were about 30 percent in Corpus Christi and 20 percent in the other sites; among those who found jobs and received the entire earned income disregard, estimated stipend receipt rates were about 55 percent in Corpus Christi and 40 percent in the other sites.

- **The Texas ERA program did not produce consistent or large effects on employment and retention outcomes during the first two years of the study period.** In Corpus Christi, there were a few modest impacts on employment and retention that were concentrated among those who entered the program during the early phases of the study period; the extra income from the stipend was enough to generate a statistically significant effect on income. In Fort Worth, the program's impacts were on initial employment rather than on employment retention. There were few impacts in Houston.

MDRC will continue to track employment outcomes for the study's participants, so these results are not the final word on the Texas ERA program. Yet the results do reinforce the view that promoting employment retention and advancement among welfare recipients presents challenging implementation issues.

Contents

Overview iii
List of Tables, Figures, and Boxes vii
About the Employment Retention and Advancement Project xi
Acknowledgments xiii
Executive Summary ES-1

Chapter

1 Introduction 1
Overview of the National ERA Project 1
The Texas ERA Program 2
About the Evaluation 11
Roadmap of the Report 16

2 Implementation of the Texas ERA Program 17
Key Findings 17
The Framework: Structure, Staffing, and Management 18
The Texas ERA Program's Services and Messages 22
Financial Incentives: Administration and Use of the Postemployment Stipend 29
How Did ERA Staff Spend Their Time? 41
Variations in Implementation Across Sites 44

3 The Effects of the Texas ERA Program on Message and Service Receipt 49
Key Findings 49
The Intensity and Nature of Contacts Between Clients and Staff 50
Impacts on Service Receipt 55

4 The Effects of the Texas ERA Program on Employment, Public Assistance, and Income 63
Key Findings 63
The Expected Impacts of the ERA Program 64
Data Sources and Samples 65
Impacts for the Full Report Sample 67
Impacts for Subgroups Based on Employment in the Prior Year 84

Appendixes
A: Supplementary Table for Chapter 1 85
B: Notes for Tables and Figures Displaying Results Calculated with Administrative Records Data 89
C: Examples of Employment-Related Measures Analyzed in This Report 91
D: Notes for Tables and Figures Displaying Impacts Calculated with Responses to the ERA 12-Month Survey 97
E: Supplementary Tables and Figures 99
F: Texas ERA 12-Month Survey Response Analysis 139

References 161

Earlier MDRC Publications on the Employment Retention and Advancement Project 163

List of Tables, Figures, and Boxes

Tables

ES.1	Years 1-2, Impacts on UI-Covered Employment and Earnings	ES-9
ES.2	Impacts on Public Assistance and Measured Income	ES-11
1.1	Comparison of Services Provided in the Texas ERA Program and in the Control Group Program (Choices)	7
1.2	Selected Characteristics of Texas ERA Group Members	9
1.3	Overview of Report Sample Sizes, by Site and Research Group	14
2.1	Organizational Roles, Key Partners, and Staffing Arrangements in the Texas ERA Program	20
2.2	Receipt Rates, Timing, and Duration of Stipends in the ERA Program	33
2.3	Extent of Contact Between ERA Case Managers and Clients	44
2.4	Description of Contact Between ERA Case Managers and Clients	45
2.5	Topics Covered During Contact Between ERA Case Managers and Clients	46
3.1	Year 1 Impacts on Contacts with Program Staff	53
3.2	Impacts on Areas in Which Respondent Received Help	56
3.3	Impacts on Participation in Job Search, Education, Training, and Other Activities	60
3.4	Impacts on Receipt of Mental Health, Domestic Violence, and Substance Abuse Services	62
4.1	Years 1-2, Impacts on UI-Covered Employment and Earnings	68
4.2	Impacts on Public Assistance and Measured Income	74
4.3	Impacts on Characteristics of Current Job	79
4.4	Impacts on Employment Retention	83
A.1	Description of ERA Projects	86
E.1	Impacts on Quarterly UI-Covered Employment and Earnings for the Report Sample and Early Cohort, by City	100
E.2	Impacts on Household Income and Composition	105
E.3	Impacts on Other Outcomes	107
E.4	Impacts on Wage Growth and Advancement for Current/Most Recent Job	109
E.5	Years 1-2, Impacts on UI-Covered Employment	111

Tables

E.6	Year 1 Impacts on UI-Covered Employment and Earnings for Sample Members in the Full Sample	113
E.7	Years 1-2, Impacts on TANF Receipt and Payments	114
E.8	Years 1-2, Impacts on Food Stamp Receipt and Payments	115
E.9	Years 1-2, Impacts on UI-Covered Employment and Earnings Based on Length of Employment History in the Three Years Prior to Random Assignment	116
E.10	Years 1-2, Impacts on UI-Covered Employment and Earnings, Corpus Christi and Fort Worth, Texas	118
E.11	Years 1-2, Impacts on UI-Covered Employment and Earnings	119
E.12	Selected Characteristics of Texas ERA Sample Members	120
E.13	Years 1-2, Impacts on UI-Covered Employment and Earnings for Sample Members, by Mandatory Registration	122
E.14	Years 1-2, Impacts on Employment and Earnings Among Subgroups Defined by Previous Work Experience and Educational Attainment	123
E.15	Years 1-2, Impacts on UI-Covered Employment and Earnings for Sample Members in the Full Sample (Unadjusted Run)	124
E.16	Years 1-2, Impacts on Employment and Earnings Among Subgroups Defined by UI-Covered Employment in the Prior Year	125
E.17	Most Common Industries/Occupations Among the Currently Employed	127
F.1	Estimated Regression Coefficients for the Probability of Being a Respondent on the ERA 12-Month Survey, Corpus Christi	142
F.2	Background Characteristics of Survey Respondents, Corpus Christi	144
F.3	Comparison of Impacts for the Report, Fielded, and Respondent Samples in Corpus Christi	146
F.4	Estimated Regression Coefficients for the Probability of Being a Respondent on the ERA 12-Month Survey, Fort Worth	150
F.5	Background Characteristics of Survey Respondents, Fort Worth	151
F.6	Comparison of Impacts for the Report, Fielded, and Respondent Samples in Fort Worth	153
F.7	Estimated Regression Coefficients for the Probability of Being a Respondent on the ERA 12-Month Survey, Houston	156
F.8	Background Characteristics of Survey Respondents, Houston	158
F.9	Comparison of Impacts for the Report, Fielded, and Respondent Samples in Houston	160

Figures

ES.1	Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Corpus Christi	ES-6
2.1	Typical Paths of Individuals Through the Texas ERA Program	24
2.2	Percentage of Program Group Members Receiving the ERA Stipend in Corpus Christi, by Quarter After Random Assignment	34
2.3	Percentage Receiving the ERA Stipend Among the Full Sample and Key Subgroups Defined by Pre-Random Assignment Status	35
2.4	Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Corpus Christi	37
2.5	Summary of How Texas ERA Case Managers Typically Spend Their Time	42
4.1	Percentage Employed According to UI Records and Receiving the ERA Stipend, Corpus Christi	77
E.1	Impacts on TANF Payments and TANF Receipt Rates for the Report Sample and Early Cohort Over Time	128
E.2	Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Fort Worth	130
E.3	Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Houston	131
E.4	Impacts on Program Participation for Key Subgroups in Corpus Christi	132
E.5	Impacts on Program Participation for Key Subgroups in Fort Worth	133
E.6	Impacts on Program Participation for Key Subgroups in Houston	134
E.7	Percentage Employed According to UI Records and Receiving the ERA Stipend, Fort Worth	135
E.8	Percentage Employed According to UI Records and Receiving the ERA Stipend, Houston	136
E.9	Impacts on UI-Covered Earnings and Employment for the Report Sample and Early Cohort Over Time	137

Boxes

1.1	The Design of Programs Using Financial Incentives to Promote Work	5
2.1	Corpus Christi's Performance Management System	23
2.2	Employer Site Visits in Corpus Christi	28
3.1	Measuring Participation in ERA	51
3.2	How to Read the Tables in This Report	58
F.1	Key Analysis Samples in Corpus Christi	141
F.2	Key Analysis Samples in Fort Worth	148
F.3	Key Analysis Samples in Houston	155

About the Employment Retention and Advancement Project

The federal welfare overhaul of 1996 ushered in myriad policy changes aimed at getting low-income parents off public assistance and into employment. These changes — especially cash welfare's transformation from an entitlement into a time-limited benefit contingent on work participation — have intensified the need to help low-income families become economically self-sufficient and remain so in the long term. Although a fair amount is known about how to help welfare recipients prepare for and find jobs in the first place, the Employment Retention and Advancement (ERA) project is the most comprehensive effort thus far to discover which approaches help welfare recipients and other low-income people stay steadily employed and advance in their jobs.

Launched in 1999 and slated to end in 2008, the ERA project encompasses more than a dozen demonstration programs and uses a rigorous research design to analyze the programs' implementation and impacts on research sample members, who were randomly assigned to the study groups. With technical assistance from MDRC and The Lewin Group, the study was conceived and funded by the Administration for Children and Families in the U.S. Department of Health and Human Services; supplemental support comes from the U.S. Department of Labor. Most of the ERA programs were designed specifically for the purposes of evaluation, in some cases building on prior initiatives. Because the programs' aims and target populations vary, so do their services:

- **Advancement programs** focus on helping low-income workers move into better jobs by offering such services as career counseling and education and training.
- **Placement and retention programs** aim to help participants find and hold jobs and are aimed mostly at "hard-to-employ" people, such as welfare recipients who have disabilities or substance abuse problems.
- **Mixed-goals programs** focus on job placement, retention, and advancement, in that order, and are targeted primarily to welfare recipients who are searching for jobs.

The ERA project's evaluation component investigates the following aspects of each program:

- **Implementation.** What services does the program provide? How are those services delivered? Who receives them? How are problems addressed?

- **Impacts.** To what extent does the program improve employment rates, job retention, advancement, and other key outcomes? How does it affect enrollees' children? Looking across programs, which approaches are most effective, and for whom?

A total of 15 ERA programs are being implemented in eight states:

- California: Los Angeles County and Riverside County
- Illinois: Cook County (Chicago) and St. Clair County (East St. Louis)
- Minnesota: Hennepin County (Minneapolis)
- New York: New York City
- Ohio: Cleveland
- Oregon: Eugene, Medford, Portland, and Salem
- South Carolina: Pee Dee Region (six counties in the northeast corner of the state)
- Texas: Corpus Christi, Fort Worth, and Houston

The evaluation draws on administrative and fiscal records, surveys of participants, and field visits to the sites.

Acknowledgments

The evaluation of the Employment Retention and Advancement (ERA) program in Texas would not be possible without the cooperation, commitment, and hard work of a wide range of administrators and staff. The following individuals deserve special thanks.

Deborah Morris, Elizabeth Jones, and Sarah Sarrat from the Texas Department of Social Services (DHS) have been vital to the evaluation. They designed the Texas ERA program, worked closely with MDRC and the three sites to set up and monitor the evaluation, and provided unwavering support throughout the study. Donna Bragdon and Ellen Montgomery, also from DHS, provided assistance in later stages of the evaluation. Larry Temple and Marion Trapolino of the Texas Workforce Commission also provided guidance and support.

At each of the three Texas sites, several staff were involved in implementing and maintaining the program and research design, acting as liaisons with MDRC, arranging many site visits, and facilitating a range of other research and data collection activities. Special thanks go to Cynthia Wilt and Pam Miles in Corpus Christi, to Jo Aleshire in Fort Worth, and to Nina O'Quinn and Jonathon Davis in Houston. In addition, program staff in each of the sites not only worked with the ERA participants but also willingly discussed their experiences with MDRC researchers on many site visits and participated in an in-depth study of how they spent their time at work.

Nicole Verver from the Texas Workforce Commission and Nan Yang from DHS provided administrative records data to MDRC for the study.

At MDRC, we would like to thank Barbara Goldman, Gayle Hamilton, Dan Bloom, Stephen Freedman, and Charles Michalopolous, who reviewed multiple versions of the report and provided several helpful suggestions. Stephen Freedman also helped oversee data collection from the beginning. Allison Milld provided excellent research assistance and Diane Singer provided administrative support. Zakia Barnes and Mark van Dok did most of the programming. Gilda Azurdia oversaw survey data collection and programming. Robert Weber edited the report and Stephanie Cowell prepared it for publication.

Finally, we extend our deep appreciation to the thousands of Texas parents who participated in the study and gave generously of their time to respond to a survey.

The Authors

Executive Summary

This report presents an assessment of the implementation and the two-year impacts of a program in Texas that aimed to promote job placement, employment retention, and advancement among applicants and recipients to the Temporary Assistance for Needy Families (TANF) program. The program in Texas is part of the Employment Retention and Advancement (ERA) project, which is testing 15 programs across the country.[1] The ERA project was conceived and funded by the Administration for Children and Families in the U.S. Department of Health and Human Services (HHS) and is also supported by the U.S. Department of Labor. The project is being conducted by MDRC, a nonprofit, nonpartisan research organization, under contract to HHS.

The ERA program in Texas was evaluated in three cities (sites) — Corpus Christi, Fort Worth, and Houston — beginning in the fall of 2000. Most of the employment outcomes presented in this report cover the first two years after individuals entered the program. The results include the program's effects on employment levels and stability, earnings, and advancement in the labor market. These results are important but are not the final word on the program, as MDRC will track employment outcomes for the study's participants for a total of three years.

The ERA Project

Although much is known about how to help welfare recipients find jobs, little is known about how to help them and other low-wage workers keep jobs or advance in the labor market. Previously studied postemployment programs were not found to improve participants' outcomes. The ERA project was designed to build on past efforts and identify and test innovative programs designed to promote employment stability and wage progression among low-income groups, including welfare recipients. From 2000 to 2003, a total of 15 experiments were implemented in eight states, including Texas.

The design of the evaluation is similar in most of the project's sites. Individuals who meet the ERA eligibility criteria, which vary by site, are assigned at random to a program group, called the ERA group, or to a control group. Members of the ERA group are recruited for (and, in some sites, are required to participate in) the ERA program, while those in the control group are not eligible for ERA services but can access other services and supports available in the community. MDRC is tracking both research groups over time. The random assignment process ensured that the two groups were comparable when they entered the study; thus, any

[1]Although the Texas program operated in various cities that are called "sites" in this report, Texas counts as a single ERA site.

differences between them that emerge over time — for example, in employment rates or average earnings — can be confidently attributed to the ERA program.[2]

The Texas ERA Program

The Texas ERA program was designed to promote job placement, retention, and career advancement for TANF applicants and recipients. The program provided both pre- and postemployment services and targeted a population applying for or receiving cash assistance, most of whom were not working when they entered the program. The Texas ERA program included job placement, employment stabilization, and advancement services — along with a monthly stipend of $200 for working TANF leavers, to encourage employment retention and advancement.

The Texas ERA program was developed by the Texas Department of Human Services (DHS), in coordination with the Texas Workforce Commission (TWC). DHS was primarily responsible for determining eligibility and overseeing the TANF cash assistance program, while TWC managed TANF employment services. TWC oversaw employment services for the ERA program as well as for Choices — the standard program in the state that provides employment-related services to TANF recipients. As designed, the Texas ERA program was to include the following services:

- **Preemployment job search and team-based case management services.** For most participants, the ERA program initially provided job search, job readiness, and case management services. Because postemployment case management services had little effect on employment outcomes in past retention and advancement studies, Texas strengthened these services by having them begin at the preemployment stage and using a team-based approach. The goal potentially was to involve partners from multiple agencies (including DHS, local workforce staff, and organizations working to prevent substance abuse or domestic violence) that had expertise in addressing specific employment-related barriers. Key case management services included employment assessment, goal setting and career planning, support services, resolution of employment barriers, and job search assistance.

- **Stipend for welfare leavers.** The ERA program provided a monthly stipend of $200 to participants who left TANF, were employed for a minimum of 30

[2]For more information on the ERA project, see Bloom, Anderson, Wavelet, Gardiner, and Fishman, *New Strategies to Promote Stable Employment and Career Progression: An Introduction to the Employment Retention and Advancement Project* (U.S. Department of Health and Human Services, 2002). For early results from four sites, including Texas, see Bloom, Hendra, Martinson, and Scrivener, *The Employment Retention and Advancement Project: Early Results from Four Sites* (U.S. Department of Health and Human Services, 2005).

hours per week, and participated in a postemployment "advancement" activity. The stipend was also available to those who combined 15 hours of work per week with an education and training activity that lasted 15 hours per week. Before receiving the stipend, participants had to first exhaust the four-month earned income disregard, which allowed all welfare recipients who left the rolls to continue to receive most of their full welfare grant for four months.[3] There was a lifetime limit of 12 stipends (which did not have to be used in consecutive months). The stipend was included in the ERA model based on other studies that found similar earnings supplements to be effective in encouraging job retention and increasing earnings.[4]

- **Intensive postemployment services.** The ERA program provided a comprehensive set of postemployment services, which could include assistance with job-related problems and support services, monitoring job performance and issues through regular site visits to employers, rapid reemployment assistance for participants who lost jobs, and support in meeting the requirements of the stipend. ERA postemployment services could continue for as long as an individual was eligible for the stipend.

The Design of the Evaluation

Immediately following an eligibility or recertification interview for TANF (but, in the case of applicants, before they were approved for cash assistance), individuals were randomly assigned either to the ERA program or to the Choices program. Those who were assigned to ERA were introduced to the program and were then required to attend an orientation on the TANF program before being approved for cash assistance. Once these individuals were approved for TANF, they were then engaged in ERA program services. Individuals who were not approved for TANF were not eligible for the ERA program. Random assignment began in October 2000.

Once assigned to the ERA program, individuals completed an assessment; then they generally participated in job search and, if they did not find a job, community service (a volunteer position in a nonprofit or public organization); and then they received case management services. Once employed, participants received postemployment services, and — after leaving

[3]Depending on participants' earnings, the amount of the residual TANF grant combined with the earned income disregard was roughly equivalent to or somewhat less than the $200 stipend. Individuals could receive the earned income disregard once in a 12-month period (but the four months did not have to be used consecutively within this period).

[4]See Gordon Berlin, *Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs* (New York: MDRC, 2000).

TANF and after receiving the earned income disregard — they became eligible for the monthly stipend. Participation in the ERA program was mandatory for most individuals, meaning that they faced a reduction or termination of TANF benefits for noncompliance with program rules.

Individuals in the control group were assigned to participate in Choices, the state's standard welfare-to-work program, which also provided pre- and postemployment services to TANF recipients. In terms of preemployment services, individuals who were assigned to Choices — like their counterparts in ERA — also completed an assessment, participated in job search, and did community service if they did not find employment. Choices also provided case management and support services, but its staff generally did not use the team-based approach that was developed for ERA and did not typically engage in longer-term career planning. Again like ERA, participation in Choices was mandatory for most TANF recipients.

There were greater differences between ERA and Choices in the nature of postemployment services. Employed individuals in Choices were not eligible for the $200 stipend, although they could receive the earned disregard for up to four months (at the same level as under the ERA program). Under Choices, postemployment case management services generally lasted only for the duration of the earnings disregard (whereas services continued for up to an additional 12 months for workers receiving the stipend under ERA), and they were less intensive than the postemployment services provided through the ERA program.

Key Findings on Program Implementation

This section summarizes the report's findings on how the Texas ERA program was implemented and on sample members' participation in the program and other employment-related services. The findings are based on field research, a time study of ERA staff, automated program tracking data on stipend receipt, and a survey administered to a subset of sample members about 12 months after they entered the study. Key implementation findings follow.

- **While ERA was intended to be distinct from Choices in terms of both pre- and postemployment services, most of the key differences were in the nature of the postemployment services, particularly the stipend.**

In all the Texas sites, the job search and case management services, participation mandate, and support services provided under Choices resulted in the control group's receiving a relatively strong set of preemployment services that were similar to those provided by ERA. The Choices program also experienced some improvements over the course of the study period. Although "team-based" case management (involving partners from multiple agencies) was an important concept in the development of the ERA program — and one that was intended to distinguish it from the Choices program — in the end the preemployment case management services provided by ERA were similar to those provided by Choices.

For those who found jobs, ERA's retention and advancement services were strongest and most distinct from Choices after the four-month earnings disregard period — once individuals were receiving a stipend. At this point, participants began working most closely with the postemployment staff, typically meeting with them at least once a month. Program staff in Corpus Christi and Fort Worth often conducted this monthly meeting at the worksite of participants who were receiving a stipend — although employer site meetings did not start in Fort Worth until later in the study period.

- **Overall, Corpus Christi achieved the highest stipend receipt rate, with 30 percent of the program group receiving at least one payment (compared with 20 percent in the other sites). All the sites in Texas found that significant effort had to be put into marketing the stipend.**

Some individuals in the program group did not qualify for the ERA stipend because they did not find jobs or they did not work longer than the four-month earned income disregard period. Individuals who received the entire earned income disregard generally became eligible for the stipend — although they might not have received it in a given month if they did not work enough hours, submit the required documentation, or attend the required activity.

Figure ES.1 shows the steps involved in receiving a stipend in Corpus Christi. Out of every 100 people randomly assigned to ERA, 84 met the first criterion for receiving a stipend: They were determined eligible for the TANF program and received benefits. Of those 84 people, 70 became employed at some point during the follow-up period, but only an estimated 55 of them appear to have worked enough to receive the entire four-month earnings disregard.[5] Of those 55 who worked at least four months, 30 people (55 percent) received a stipend. In Fort Worth and Houston, approximately 40 percent of those who worked longer than four months received a stipend (not shown in the figure).

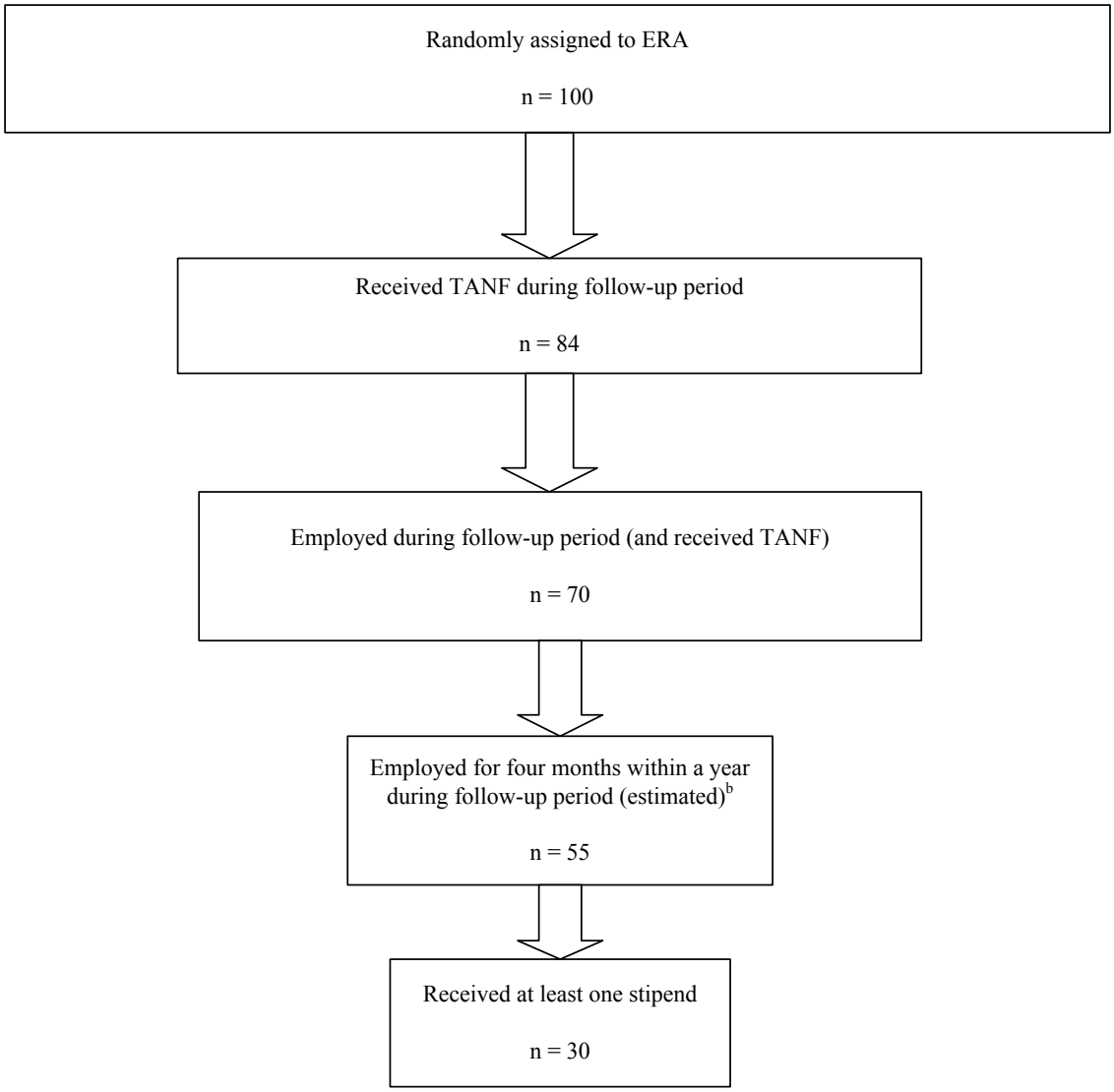
All the sites in Texas developed a solid marketing effort for the ERA stipend, particularly over time, with Corpus Christi moving most quickly to develop marketing materials and

[5]Because individuals could receive the earned income disregard only once in a 12-month period (but the disregard did not have to be used in consecutive months), the population that was eligible for the stipend was estimated — using unemployment insurance (UI) data — as those employed individuals who worked in two or more quarters within a year and who earned over $2,400 in these two quarters (the equivalent of working at $7 per hour for 20 hours per week). This was done to eliminate those who worked very little over the two quarters and would not have received the disregard for the full period. Because the earnings threshold that is used to determine who would be eligible for a stipend is an estimate, a sensitivity analysis was conducted to determine how the results would change using different earnings thresholds. Overall, no large differences were found in the number who were eligible for the stipend.

The Employment Retention and Advancement Project

Figure ES.1

Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Corpus Christi[a]



SOURCES: MDRC calculations from UI administrative records from the State of Texas and ERA program tracking data.

NOTES: [a]Among all ERA group members randomly assigned from October 2000 through January 2003.
[b]The proportion of individuals who worked for four months and thereby completed the earnings disregard period was estimated using UI records. Individuals were determined to have worked for four months if they were employed for two consecutive quarters within a year and had total earnings of more than $2,400 during this period (this is the equivalent of working 20 hours per week for four months at $7 per hour).

strategies. However, with only about half of those who were eligible receiving the stipend, there was still clearly room for improvement. The reasons for not using the stipend among those who were eligible appear to have varied and included not attending the required employment activity, a desire to discontinue involvement with a government program, and a lack of knowledge or understanding about eligibility requirements. In addition, despite program services, it appears that job loss continued to be an issue, with some ERA participants losing jobs before they became eligible for the stipend. Notably, among those who did receive a stipend, many continued to receive it on an ongoing basis. In Corpus Christi and Fort Worth, almost half of those who received a stipend received it 11 or more times.

- **Corpus Christi implemented the program most smoothly, and the other sites adopted some of its strategies over time.**

Program practices in Corpus Christi included designating case managers to work only with individuals who were receiving stipends and developing strong postemployment services, including regular site visits to employers, in-house support groups to meet the stipend participation requirement, and specific performance measures for staff. These innovative practices reflect the very strong management team that the Corpus Christi program had in place during the early phases of the project. The Fort Worth program struggled for a good portion of the study period, but it made significant improvements when a new manager was hired, including implementing more structured job search services and making regular employer site visits. The Houston program moved the most slowly in getting key ERA components — particularly postemployment services — off the ground.

- **Compared with Choices, the ERA programs in Corpus Christi and Fort Worth increased the proportion of ERA group members who received retention and advancement services.**

The ERA retention and advancement services included help finding a better job while working, enrolling in life skills classes while working, and career assessment. Despite the increased participation in these services, the overall level of receipt is somewhat lower than expected: Only about 40 percent of survey respondents from the ERA program who were working reported that they had received such assistance. This could possibly reflect that — because some individuals did not receive the stipend and more intensive retention and advancement services until they had spent more than a year in the program — this activity was not fully captured by the ERA 12-Month Survey, which was used to measure service receipt.

In Corpus Christi and Fort Worth, the ERA program also resulted in significantly more contacts with case managers after participants entered the study, but, compared with Choices, the differences were not large. In general, participation rates in employment-related services were relatively high in all the Texas sites for both the ERA group and the Choices group.

Key Findings on Program Impacts

Table ES.1 summarizes the impacts of the Texas ERA program. Administrative records are used to examine whether ERA's work incentive and pre- and postemployment services translated into improved employment rates, job retention and advancement, and total income — and into reductions in public assistance receipt. Unemployment insurance (UI) wage data and public assistance payment records are the primary sources for creating outcomes of employment, earnings, TANF, and food stamps and for estimating impacts on these outcomes. The main cohort for this report includes study participants who were randomly assigned from October 2000 through June 2002 (N = 4,288). This represents three-quarters of the eventual sample that will be analyzed in Texas. UI records are available for two years after program entry, and welfare and food stamp receipt are available for one and a half years. The report's key impact findings follow.

- **ERA did not produce consistent or large effects on employment or earnings outcomes. The ERA programs in Corpus Christi and Fort Worth, however, led to modest increases above the control group averages on some measures of employment and employment retention. The program in Houston had no effect on employment and earnings.**

Outcomes for the control group represent what would have happened in the absence of the ERA program. In any given quarter, approximately half of control group members were employed. On average, they earned only $8,000 over the full two-year follow-up period. (This average includes zeroes for those who were not working.)

ERA did not increase average earnings over the two-year follow-up period. While ERA increased the percentage ever employed in Fort Worth, it did not increase measures of employment retention in any of the sites. This suggests that the ERA stipend did not increase employment and was paid mostly to those who would have worked anyway.

Yet the two-year impacts in Corpus Christi mask some modest impacts that were evident after one year. In Year 1, ERA increased average quarterly employment by over 3 percentage points and increased the proportion of ERA group members who were employed for four consecutive quarters — a key measure of employment retention — by over 4 percentage points (not shown). During Year 2, however, these effects were no longer statistically significant. Program impacts did not increase over time, as might have been expected.

The impacts also do not reflect variations in stipend receipt. In Corpus Christi, only about 16 percent of the ERA group received a stipend in Year 1 (not shown). In Year 2, approximately 24 percent of the ERA group received a stipend, but the impacts on employment retention measures were no longer significant.

The Employment Retention and Advancement Project

Table ES.1

Years 1-2, Impacts on UI-Covered Employment and Earnings

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Years 1-2									
Ever employed (%)	82.4	84.7	-2.3	80.7	76.4	4.4 *	72.5	72.1	0.5
Average quarterly employment (%)	53.3	50.5	2.8	48.5	46.5	2.0	42.6	42.1	0.5
Earnings ($)	8,599	8,088	512	9,802	9,206	595	8,269	8,299	-29
Year 1									
Ever employed (%)	73.5	74.0	-0.5	69.1	67.3	1.8	64.1	63.6	0.5
Average quarterly employment (%)	53.3	49.8	3.5 *	48.8	47.3	1.5	42.5	43.4	-0.8
Earnings ($)	3,940	3,593	347	4,443	4,283	160	3,790	3,863	-73
Year 2									
Ever employed (%)	71.1	70.3	0.8	68.8	62.7	6.1 **	59.5	57.7	1.8
Average quarterly employment (%)	53.3	51.1	2.1	48.2	45.8	2.4	42.8	40.9	1.9
Earnings ($)	4,659	4,495	164	5,359	4,923	435	4,480	4,436	44
Sample size (total = 4,288)	654	652		578	586		905	913	

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

NOTES: See Appendix B in the complete report.

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

In Fort Worth, ERA increased employment by 4 percentage points over the control group's average of 76 percent over the two-year follow-up period. This impact was larger in Year 2, which may reflect the strengthening of the ERA program in that site, as noted above. In Year 2, ERA group members were 6 percentage points more likely to have been employed than control group members. However, there was no effect on measures of job retention.

For the most part, what impacts there were are not large or consistent. The weak impacts may be partly attributable to the fact that the ERA program was measured against a group of sample members who were engaged in a relatively strong welfare-to-work program.[6] It should be noted that, by the end of Year 2, impacts on employment (in Corpus Christi) and on earnings (in Fort Worth) emerged (not shown). These impacts had not been evident in the preceding quarters, which makes it difficult to know whether they will persist into Year 3.[7]

- **Due to the stipend, ERA increased total income in Corpus Christi but not in the other Texas sites. For the most part, ERA had no effect on receipt of TANF or food stamps.**

Table ES.2 shows that the ERA program increased total income in Corpus Christi by $604 over the control group's average of $11,247. Half of this increase is attributable to the stipend. Thus, it appears that the primary effect of the ERA stipend was to increase income (since the program did not encourage employment beyond what would have happened in the absence of the program).

- **While the two-year impacts of the Texas ERA program have been weak, it is too early to be sure that the program has failed to achieve its goals.**

In particular, because effects seemed to emerge at the end of Year 2 among the full samples in Corpus Christi and Fort Worth, and because the Year 3 impacts in Corpus Christi among an early cohort look positive, these results should not be considered the final word on the Texas ERA program. In addition, most stipend recipients began receiving the stipend in

[6]Since the Texas ERA program began at the preemployment phase but was most different after sample members became employed, the impacts may have been slightly smaller than if the evaluation had been conducted only among sample members who were employed at the time of random assignment.

[7]Analysis from an early cohort indicates that the impacts on employment may have strengthened in Year 3. Employment and earnings were examined for sample members, randomly assigned from October 2000 through June 2001, for whom an additional year of follow-up data from administrative records was available. In Corpus Christi, the three-year impacts on employment among this early cohort were statistically significant throughout the third year of follow-up. By the end of Year 3, impacts for this cohort approached 10 percentage points and were statistically significant at the 1 percent level. It is unclear why the impacts were stronger among this cohort. It is also unclear why the impacts strengthened later in the follow-up period. It should be noted that the sample sizes for this cohort are rather small (N = 668). Among the early cohorts in Fort Worth and Houston, there were no statistically significant effects in Year 3.

The Employment Retention and Advancement Project

Table ES.2

Impacts on Public Assistance and Measured Income

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
First 6 quarters after random assignment									
Ever received TANF (%)	83.9	82.1	1.9	83.7	81.8	1.8	87.2	85.3	1.9
Amount of TANF received ($)	1,363	1,391	-28	1,555	1,579	-24	1,729	1,630	98 *
Ever received food stamps (%)	96.1	96.7	-0.6	94.1	92.4	1.7	92.6	93.4	-0.8
Amount of food stamps received ($)	3,991	4,085	-94	3,984	3,863	120	4,105	4,053	52
Amount of stipend received ($)	299	0	299 ***	241	0	241 ***	105	0	106 ***
Total measured income[a] ($)	11,850	11,247	604 *	12,758	12,227	530	12,005	11,713	292
Sample size (total = 4,288)	654	652		578	586		905	913	

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

NOTES: See Appendix B in the complete report.

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

Year 2, and some were still receiving it in Year 3. There is a possibility that the impacts might improve later in the follow-up period. MDRC will continue to monitor the impacts of the ERA program in Texas.

Conclusions

The Texas ERA program is one of 15 being studied as part of the ERA project, and reports over the next two years will present results for other programs. MDRC will continue to track sample members in Texas and will make public longer-term results when they are available. As the study continues to generate information, more definitive conclusions will be possible. However, some preliminary conclusions can be drawn based on the results in this report.

- **Employment retention and advancement among welfare recipients remains a goal that is difficult to achieve.**

For the most part, the ERA program in Texas has been unsuccessful thus far in increasing employment retention and advancement — even in Corpus Christi, the city that most strongly implemented the program's components. Impacts for certain subgroups and cohorts do suggest that, under certain circumstances, the program can have a modest effect on these outcomes. While it is too early to be sure, the results suggest that, in states with already-strong welfare-to-work programs, there are likely to be limited gains in "upgrading" to a program that follows the Texas ERA model.

- **It is critical to consider the design and marketing of financial incentives.**

Past studies have found that programs providing a financial incentive to encourage work among welfare recipients — such as the Minnesota Family Investment Program (MFIP) and the Canadian Self-Sufficiency Project (SSP) — have had large effects on increasing employment, earnings, and job stability and on reducing poverty.[8] The weaker effects of the Texas ERA program may reflect several factors. First, qualifying for the financial incentive involved a series of steps, including working longer than four months, working enough hours, submitting the necessary documentation, and attending a monthly employment-related activity. Moreover, the more intensive postemployment case management (such as employer site visits) did not generally start until the stipend phase of the program — after an individual had been working for four months. These factors may have limited the number of individuals who became eligible for the stipend and may have resulted in the stipend's going to those who would have begun to work and stayed employed without the stipend. While this is not necessarily a negative outcome (the stipend did increase income for these families), the main goal of the stipend was to increase employment stabil-

[8]Berlin (2000).

ity. In contrast, the financial incentive in the MFIP program — which was provided as part of the welfare grant, as an earned income disregard — was automatically provided to all those who went to work, and it took effect immediately after the recipient became employed.

Second, while the Texas sites made a good-faith effort to market the ERA stipend, that may not have been sufficient. The financial incentive in the Canadian SSP program was also voluntary and required individuals to work 30 hours per week, but SSP had nearly universal participation among those who became eligible. In contrast to ERA, SSP had a more comprehensive marketing strategy, including a one-on-one orientation session dedicated exclusively to a discussion of the financial benefits of the incentive. Although marketing of the ERA stipend in Texas was a solid effort that grew stronger over time, information about the stipend was often provided along with a range of other information about program requirements and services. Marketing the ERA stipend may have been particularly challenging, given that receipt of the stipend could seem far in the future to some participants and was contingent on achieving several outcomes in addition to becoming employed.

Finally, it is important to consider that the magnitude of ERA's impacts in Texas was likely affected by the control group program. Choices was a relatively strong work-focused welfare-to-work program, which may have produced a more difficult comparison group to "beat" than the control groups in MFIP and SSP.

Chapter 1

Introduction

Overview of the National ERA Project

For over a decade, policymakers and program operators have struggled to learn what kinds of services, supports, and incentives are best able to help low-income working parents retain steady employment and move up to better jobs. This issue has assumed greater urgency in the wake of the 1990s welfare reforms, which made long-term welfare receipt much less feasible for families. Yet, although a great deal is known about alternative approaches to job preparation and placement, there is still relatively little hard evidence about effective strategies to promote employment retention and advancement. Previous studies on retention and advancement efforts — notably, the Post-Employment Services Demonstration (PESD), a four-site project that tested programs providing follow-up case management to welfare recipients who found jobs — generally failed to improve employment retention.[1]

The Employment Retention and Advancement project was designed to improve on past efforts in this area by identifying and testing innovative models designed to promote employment stability and wage progression among welfare recipients or other low-income groups. The project began in 1998, when the U.S. Department of Health and Human Services (HHS) issued planning grants to 13 states to develop new programs. The following year, MDRC was selected by HHS to conduct an evaluation of the ERA programs.[2] From 2000 to 2003, MDRC and its subcontractor, The Lewin Group, worked closely with the states that had received planning grants — and with several other states — to mount tests of ERA programs. MDRC, Lewin, and Cygnet Associates also provided extensive technical assistance to some of the states and program operators, since most were starting the project from scratch, with no proven models on which to build.

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

[1]Rangarajan and Novak (1999).
[2]The U.S. Department of Labor has also provided funding to support the ERA project.

work, while others begin services after employment. Appendix Table A.1 describes each of the ERA programs and identifies its goals and target populations.

The evaluation design is similar in most of the sites. Individuals who meet ERA eligibility criteria (which vary from site to site) are assigned, at random, to a program group — also called "the ERA group" — or to a control group. Members of the ERA group are recruited for the ERA program (and, in some sites, are required to participate in it), whereas members of the control group are not eligible for ERA services. The extent and nature of the services and supports available to the control group vary from site to site, but it is important to note that, in most sites, the ERA program is not being compared with a "no services" control group. The random assignment process ensures that any differences in outcomes that emerge between the two research groups during the follow-up period can be confidently attributed to the ERA program, rather than to differences in the characteristics of people in the groups. To track both groups over time, MDRC is using surveys and administrative records (data on quarterly earnings in jobs covered by unemployment insurance and records of TANF and food stamp payments).

The Texas ERA Program

Origins and Goals of the Texas ERA Program

The Texas ERA program was designed to promote job placement, retention, and career advancement as well as to reduce recidivism for TANF applicants and recipients. The program provided both pre- and postemployment services and targeted a population applying for or receiving cash assistance, most of whom were not working when they entered the program. To encourage employment retention and advancement, the Texas ERA program included a monthly stipend of $200 for working TANF leavers. The ERA evaluation in Texas was conducted in three sites: Corpus Christi, Fort Worth, and Houston.[3]

The Texas ERA program was developed by the Texas Department of Human Services (DHS), in coordination with the Texas Workforce Commission (TWC). DHS was primarily responsible for determining eligibility and overseeing the TANF cash assistance program, while TWC managed TANF employment services. TWC oversaw employment services for the ERA program as well as for Choices — the standard welfare-to-work program in the state that provides employment-related services to TANF recipients.

The Texas ERA model was explicitly designed to improve on the poor performance of past retention and advancement programs, primarily PESD, as well as to enhance the services

[3]The ERA program was also operating in Abilene, but this site was not included in the evaluation because of inadequate sample sizes. Although the cities are called "sites" in this report, Texas counts as a single ERA site.

provided under Choices. Developed in 1999, the ERA program design grew out of a concern with the level of "recycling" in the TANF caseload in Texas. Because of the state's low grant levels,[4] most individuals will leave welfare when they find a job (after an earnings disregard period). However, mirroring the experiences of other states and localities, state administrators found that many of these individuals worked at low wages with poor benefits and ended up returning to the rolls. A secondary goal of the Texas ERA program was to increase TANF recipients' participation levels in preemployment services and their overall employment levels.

The Texas ERA Model

The Texas ERA program was designed to provide both pre- and postemployment services to TANF applicants and recipients. As designed, the program had three key features:

- **Preemployment job search and team-based case management services.** For most participants, the ERA program initially provided job search, job readiness, and case management services. Because postemployment case management services had little effect on employment outcomes in past retention and advancement studies, Texas redesigned these services by having them begin at the preemployment stage and using a team-based approach. The goal was to involve partners from multiple agencies (including DHS, local workforce staff, and organizations working to prevent substance abuse or domestic violence) that had expertise in addressing specific employment-related barriers. Key case management services included employment assessment, goal setting and career planning, support services, resolution of employment barriers, and job search assistance.

- **Stipend for welfare leavers.** The ERA program provided monthly stipends of $200 per month to participants who have left TANF, were employed for a minimum of 30 hours per week, and participated in a postemployment "advancement" activity. The stipend was also available to those who combined 15 hours a week of employment with an education and training activity that lasted 15 hours per week. The stipend was available after a four-month earned income disregard, whereby 90 percent of earnings were disregarded in calculating the TANF grant.[5] Individuals could receive the earned income disregard once in 12-month period (but the four months did not have to be used consecutively within this time period). There was a lifetime limit of 12

[4]The maximum grant amount for a single parent who has two children is $203.

[5]Depending on participants' earnings, the amount of the residual TANF grant combined with the earned income disregard was roughly equivalent to or somewhat less than the $200 stipend.

stipends (stipends also did not have to be used in consecutive months). The stipend was included in the ERA model based on other studies that found similar earnings supplements to be effective in encouraging job retention and increasing earnings (see Box 1.1).[6]

- **Intensive postemployment services.** The ERA program provided a comprehensive set of postemployment services, which could include assistance with job-related problems and support services, monitoring job performance and issues through regular site visits to employers, rapid reemployment assistance for participants who lost jobs, and support in meeting the requirements of the stipend. ERA postemployment services could continue for as long as an individual was eligible for the stipend.

Immediately following an eligibility or recertification interview for TANF (but, in the case of applicants, before they were approved for cash assistance), individuals were randomly assigned either to the ERA program or to the Choices program. Those who were assigned to ERA were introduced to the program and were then required to attend an orientation to the TANF program before being approved for cash assistance. Once these individuals were approved for TANF, they were then engaged in ERA program services. Individuals who were not approved for TANF were not eligible for the ERA program.

Participation in the ERA program was mandatory for most individuals, meaning they faced a reduction of termination of TANF benefits for noncompliance with program rules. Some individuals were not required to participate and did not face sanctions for noncompliance — this is known as being "exempt" — if they had a child younger than age 1, were ill or disabled, or were caring for a disabled family member. Exempt individuals were eligible for all components of the ERA program, and program staff strongly encouraged them to participate.

Once assigned to the ERA program, individuals completed an assessment; then they generally participated in job search and, if they did not find a job, community service (a volunteer position in a nonprofit or public organization) and also received case management services. Once participants were employed, they received postemployment services, and — after leaving TANF and after receiving the earned income disregard — they become eligible for the monthly stipend.

The Counterfactual: What Is ERA Being Compared With?

As discussed above, members of the control group were not eligible for ERA services and were assigned to participate in Choices, the state's standard welfare-to-work program.

[6]Berlin (2000).

Box 1.1

The Design of Programs Using Financial Incentives to Promote Work

The Texas ERA program was designed in part to build on the results of other programs that used financial incentives to encourage work — particularly, the Minnesota Family Investment Program and the Canadian Self-Sufficiency Project. As described below, these programs and the Texas ERA program had some similarities but also some important differences.

Minnesota Family Investment Program (MFIP)

MFIP, which began operating in 1994, allowed cash assistance applicants and recipients to remain eligible for welfare until their income reached 140 percent of the poverty line. Like the Texas ERA program, MFIP operated as part of the state's welfare-to-work system in several counties. Under MFIP, the financial incentive was provided as a generous earned income disregard and was automatically received by all welfare recipients who went to work and remained on assistance. This resulted in an increase in income of approximately $150 to $250 per month, depending on wages and hours worked. Recipients who were not working at least 30 hours per week were required to participate in job search and other work preparation and training programs. Overall, an experimental evaluation of the program showed that MFIP produced relatively large increases in employment, earnings, income, and job stability and reductions in poverty. (Control group members were not required to participate in employment services and faced a sharp reduction in benefits as their earnings increased.)

Canadian Self-Sufficiency Project (SSP)

Operating between 1992 and 1999, SSP was a demonstration project designed to test a work-based alternative to welfare. It paid a substantial monthly earnings supplement for up to three years to single-parent long-term welfare recipients who worked full time (at least 30 hours a week). The supplement equaled half the difference between a participant's earnings and an "earnings benchmark" (which equaled $30,000 or $37,000, depending on the site). After taxes, SSP made most families better off by $3,000 to $7,000 per year than if they worked full time and remained on cash assistance. Sponsored by the Canadian government, SSP was operated outside the welfare system by private agencies in parts of two provinces. Participation was voluntary, but recipients could not receive welfare benefits and earnings supplement payments at the same time. A person could sign up for the supplement if she found full-time work within a year of enrollment. An experimental evaluation of SSP found that it increased full-time employment and earnings, reduced poverty, and resulted in more stable employment and wage growth over time. (The control group was eligible for cash assistance and received no extra financial incentive to work.)

Comparison of the Texas ERA Program with MFIP and SSP

The Texas ERA stipend was similar to the MFIP incentive in that it was provided through the cash assistance system and at a similar financial level. However, unlike MFIP's incentive, the stipend was not provided automatically to all individuals who became employed and stayed on assistance. ERA participants had to meet certain requirements in terms of hours worked, completing the four-month earnings disregard, and participating in a monthly employment activity. The SSP incentive was more generous than the ERA benefit, and the program operated outside the welfare system. However, like ERA, SSP required individuals to take the initiative to receive the supplement, and they had to work a certain number of hours of work in order to be eligible.

Although Choices also provided pre- and postemployment services to TANF recipients, Table 1.1 shows that there were important differences between the two programs, particularly in terms of postemployment services:

- **Preemployment services.** These services were similar under both programs. As in ERA, individuals who were assigned to Choices completed an assessment and participated in job search or — if they did not find employment — community service. Choices also provided case management services, but these generally did not involve multiple agencies and focused less on longer-term career planning. Like ERA, Choices services were mandatory for most TANF recipients, although the program encouraged those who were exempt to participate as well.

- **Postemployment services.** Choices participants were not eligible for the monthly $200 stipend. Once employed, however, they were eligible for the earned income disregard for four months (for the same amount as in the ERA program). In Choices, postemployment case management services generally lasted only for the duration of the earnings disregard, whereas services continued for up to an additional 12 months in ERA, for those who were receiving the stipend. Postemployment services in Choices were also less intensive — consisting primarily of monthly contacts with participants to verify employment status. Members of both groups were eligible for transitional child care subsidies once they left TANF after receiving the earned income disregard. (While receiving the disregard, individuals continued to receive child care through TANF.)

Because of the job search and case management services, participation requirement, and support services, the control group in the ERA evaluation received a relatively strong set of services, compared with other experimental studies of programs involving financial incentives. Box 1.1 describes two such programs: the Minnesota Family Investment Program (MFIP) and the Canadian Self-Sufficiency Project (SSP).

Characteristics of the Texas ERA Sites

The three Texas sites in the ERA evaluation differ significantly in terms of their local economy and the demographic characteristics of the ERA target population. Corpus Christi, a midsize city located on the Gulf Coast, has an economy based on petroleum, shipping, and tourism. Economic conditions have been relatively poor: In 2003, the unemployment rate was 6.7 percent — having increased from 6.3 percent in 2000, when the study began.[7]

[7]U.S. Department of Labor, Bureau of Labor Statistics (2004).

The Employment Retention and Advancement Project

Table 1.1

Comparison of Services Provided in the Texas ERA Program and in the Control Group Program (Choices)

Services	ERA Program	Choices
Preemployment job search services		
Strong focus on immediate employment	Yes	Yes
4 weeks of job search followed by community service for those who did not find jobs	Yes	Yes
Preemployment case management		
Team based	Yes	No
Assessment and monitoring participation	Yes	Yes
Barrier identification and career planning	Yes	Limited
Support services including child care and transportation	Yes	Yes
Financial incentives		
For those who find jobs, 4-month earned income disregard period where 90 percent of earnings are disregarded in calculating the welfare grant	Yes	Yes
$200 per month stipend for TANF leavers who are working full time or working part time combined with school	Yes	No
Postemployment services		
Case management during earned income disregard period	Yes	Limited
Intensive case management during stipend period including employer site visits and rapid re-employment services	Yes	No
Transitional child care for TANF leavers	Yes	Yes

In contrast, Fort Worth is the sixth-largest city in Texas.[8] Located in Tarrant County, it is a major mercantile, commercial, and financial center providing agribusiness and wholesale services to much of west Texas. The city also has diversified manufacturing and significant tourism industries. In December 1999, the unemployment rate was 2.8 percent, and it increased to 6.4 percent by 2003.[9] The child poverty rate in Forth Worth was very low compared with the rest of the state, while median household income was comparatively high.

Houston is not only the largest city in Texas but also the largest city in the southern United States and the fourth-most-populous city in the nation. Houston is regarded as a major port and corporate management center, and the city is home to many businesses. Houston's highly industrialized economy is based on petrochemicals, medical research and health care delivery, high technology (including computers and aerospace), manufacturing and distribution, and related service industries, among others.[10] As of December 1999, the unemployment rate was 4.2 percent, but it increased to 6.9 percent in 2003. The child poverty rate was similar to rates in the rest of the state, while median household income was relatively high.

The ERA Target Population

Table 1.2 shows selected characteristics of ERA group members at the point they entered the study in each of the three Texas sites. As expected, given that the program targets TANF applicants and recipients, very few ERA sample members — ranging from 4 percent to 9 percent across the sites — were employed at the time of random assignment. The low levels of employment at this point were also due to the relatively low grant levels in Texas (see below), which meant that few sample members combined work and welfare. In addition, nearly 15 percent had not worked in the past three years, and roughly 40 percent had worked a year or less in this same time period. The majority of those who worked did so "mostly full time."

The sample members across the sites varied the most in terms of race/ethnicity. In Corpus Christi, the sample is primarily Hispanic; in Fort Worth and Houston, the majority are African-American, though Houston also has a sizable Hispanic population. Over half the sample members in Houston and Corpus Christi did not have a high school diploma or General Educational Development (GED) certificate when they entered the study, while slightly less than half the sample members in Fort Worth were in this group.

Across all the Texas sites, sample members were generally not long-term TANF recipients: About one-third had no history with Aid to Families with Dependent Children (AFDC) or TANF, and over 40 percent had received assistance for fewer than two years. Over 80 percent

[8]Texas State Library and Archives Commission (2000).
[9]U.S. Department of Labor, Bureau of Labor Statistics (2004).
[10]City of Houston (2005).

The Employment Retention and Advancement Project

Table 1.2

Selected Characteristics of Texas ERA Group Members[a]

Characteristic	Corpus Christi	Fort Worth	Houston
Gender (%)			
Male	5.7	3.8	2.3
Female	94.3	96.2	97.7
Average age (years)	28.5	28.6	28.2
U.S. citizen (%)			
Yes	98.7	99.2	96.2
No	1.3	0.8	3.8
Limited English (%)			
Yes	3.3	0.6	2.8
No	96.7	99.4	97.2
Race/ethnicity (%)			
White, non-Hispanic	15.9	21.5	9.3
Black, non-Hispanic	8.3	66.9	61.9
American Indian/Alaska native	0.1	0.1	0.1
Hispanic	73.6	10.8	27.7
Other	2.1	0.6	1.0
Education (%)			
GED	16.4	13.6	15.7
High school diploma	25.6	39.1	25.7
Technical/Associate's degree/2-year college	5.4	1.7	2.7
4-year (or more) college	0.9	0.8	0.7
None of the above	51.7	44.9	55.2
Current cash assistance status (%)			
Applicant	88.3	81.7	84.4
Recipient	11.7	18.3	15.7
Registration status (%)			
Mandatory	75.1	77.8	77.5
Exempt	24.9	22.2	22.5
Total prior AFDC/TANF receipt (%)			
None	38.8	35.5	38.5
Less than 3 months	5.7	6.0	9.4
3 months or more and less than 2 years	34.9	43.9	34.9
2 years or more and less than 5 years	12.7	8.1	9.9
5 years or more and less than 10 years	5.7	5.0	5.4
10 years or more	2.3	1.6	2.0

(continued)

Table 1.2 (continued)

Characteristic	Corpus Christi	Fort Worth	Houston
Months employed in last 3 years			
Did not work	14.6	13.1	14.7
6 or less	18.3	22.2	21.0
7 to 12	18.1	17.4	22.1
13 to 24	21.2	21.2	19.7
More than 24	27.9	26.2	22.5
Type of employment in last 3 years (among those who worked) (%)			
Mostly part time	28.4	18.3	21.9
Mostly full time	56.4	62.8	73.3
Equal amounts part time and full time	15.2	19.0	4.8
Currently employed (%)			
Yes	8.8	4.3	6.8
No	91.3	95.7	93.2
Hours worked per week (among those currently employed) (%)			
10 or less	7.3	12.9	8.9
11 to 20	36.5	21.0	23.2
21 to 40	37.2	40.3	40.2
More than 40	19.0	25.8	27.7
Average hourly wage (among those currently employed) ($)	6.15	7.91	6.83
Number of children (%)			
0	1.5	0.3	1.2
1	44.1	41.9	37.1
2	28.9	30.7	29.4
3 or more	25.6	27.1	32.3
Sample size (total = 5,237)	1,723	1,564	1,950

SOURCE: Texas baseline information sheets.

NOTES: See Appendix B.

[a]This table includes single-parent ERA sample members only. Two-parent families are not included.

of the sample members were TANF applicants, and about one-quarter were exempt from the mandate to participate in program services, usually because they had a child younger than age 1.

The External Environment

The Texas ERA program was developed and implemented during a period when several policy changes were occurring in the state. In 1995, prior to the implementation of ERA, responsibility for TANF employment services was shifted by the state legislature from DHS to

TWC. In addition, during the early phases of the program, Texas was operating under a waiver from the federal welfare reform law that allowed individuals to participate in a wide range of employment and training activities in order to meet the federal work participation requirements. When the waiver ended in July 2002, Texas was required to follow the federal rules — which placed more limitations on the types of activities that counted toward meeting federal participation rates — and more strongly emphasized work-focused activities. Across all the Texas sites, this resulted in a stronger focus on immediate employment both in ERA and in Choices.

During the period of the ERA evaluation, TANF caseloads were increasing slightly in Texas. From 2000 to 2003, caseloads increased from 342,000 to 370,000 — an increase of 8 percent.[11] TANF grant levels also increased slightly; the average basic monthly grant for a family of three in Texas went up from $188 in 2000 to $203 in 2003.[12] The state's TANF grant levels were among the lowest in the nation.[13]

More recently, there has been a reorganization of agencies involved in the program at the state level. In 2004, DHS was merged with a larger umbrella agency that is responsible for a range of social services, which changed the state-level management of ERA. In addition, Texas, like many other states, recently experienced tighter state budgets. Because of these factors, the ERA program ended in August 2004.

About the Evaluation

Research Questions

The ERA evaluation includes two major components: (1) an implementation analysis, which studies the way the program operates, and (2) an impact analysis, which assesses what difference the program makes relative to the current environment. Contingent on future evaluation design decisions, a benefit-cost analysis — which will compare the financial benefits and costs of the ERA program for participants and for the government budget — may also be conducted.

This report focuses on program implementation and early impacts and addresses the following questions.

- **Implementation.** How did each of the Texas sites execute its ERA program? What services and messages did ERA clients in Texas receive? How did case

[11]Texas Department of Human Services (2003).
[12]Texas State Services, Legislative Budget Board (2003).
[13]U.S. House of Representatives, Committee on Ways and Means (2005).

managers spend their time? How did implementation of the ERA program compare with implementation of the Choices program?

- **Participation.** Did the ERA program succeed in engaging a substantial proportion of individuals in its services? What types of services did people receive? What proportion received a stipend? How did participation levels in ERA compare with levels of participation in Choices?

- **Impacts.** Within the follow-up period, did each of the Texas ERA programs — relative to the experiences of the control group — increase employment and earnings and reduce public assistance receipt? Did individuals' measured income increase as a result of the program?

The final report on the evaluation of the ERA project will provide program impacts covering a longer-follow-up period and may include a benefit-cost analysis.

The ERA Research Design

As discussed above, to produce reliable estimates of the effects of the Texas ERA program, the evaluation uses a random assignment research design. The random assignment process ensures that any differences in various outcomes that emerge between the two research groups during the follow-up period can be confidently attributed to the ERA program. These differences in outcomes are known as *impacts.*

The random assignment process began in November 2000 in Corpus Christi and Fort Worth and in March 2001 in Houston. Random assignment ended in all the Texas sites in December 2002, and the ERA program ended in August 2004. Thus, the amount of time that sample members could potentially be exposed to the ERA program ranged from 20 months to 46 months, depending on when they were randomly assigned. However, it is unlikely that participants would be engaged in ERA for as long as 46 months. Because of differences in program implementation across the sites, impacts are presented for each site and are generally not pooled.

Most sample members were single parents when they entered the study, and this group is the focus of the evaluation. Appendix Table E.12 compares single parents who were assigned to the ERA group with single parents in the control group, showing that the groups are similar along most dimensions. Because program administrators in Texas had an interest in understanding the effects of the program for two-parent families, this group was included in the random assignment process in Corpus Christi. However, as discussed below, sample sizes were too small to conduct most of the analyses.

When a TANF applicant or recipient met with a DHS staff person to complete an eligibility or recertification interview, staff referred those who they believed would be certified (or

recertified) for TANF for random assignment in the ERA evaluation. After staff completed baseline paperwork for each individual — recording such standard client characteristics as educational background and welfare history — individuals were randomly assigned to either the ERA or the Choices group.[14]

Both ERA and control group members were assigned to attend a workforce orientation, which was required in order to be certified for TANF. (Individuals who did not attend the orientation could not receive TANF or participate in either ERA or Choices.) The sites operated separate orientations for ERA and Choices, and the content reflected the differences in the programs. As in all welfare-to-work programs, many individuals who were referred to ERA or to Choices did not attend a workforce orientation or a program activity — some found employment on their own; some were not approved for receiving TANF; and some chose not to participate in program services (thereby facing possible sanctions). The attrition between TANF application and certification for both groups is examined in this report.

Data Sources

Most of the report's findings cover a two-year follow-up period. The data sources and the sizes of the samples for each type of analysis are described below and in Table 1.3.

Unemployment Insurance, TANF, and Food Stamp Records Data

Employment, earnings, and public assistance impacts were computed using automated records data from the Texas unemployment insurance (UI) system and administrative records from the TANF and Food Stamp Programs. One year's records of UI, TANF, and food stamp receipt are available for all the sample members in all the Texas sites. The sample sizes reported in Table 1.3 are for single parents, who are the primary focus of the analysis. As discussed above, 178 two-parent families were also randomly assigned, primarily in Corpus Christi.

The primary sample used in the impact analysis — known as the "report sample" — includes single parents for whom two years of follow-up data are available. This includes those who were randomly assigned between October 2000 and June 2002 in Corpus Christi and Fort Worth and between March 2001 and June 2002 in Houston. The report sample represents 76 percent of the full sample in Corpus Christi, 74 percent in Fort Worth, and 93 percent in Houston. Three years of data are available for an early cohort assigned through June 2001 in all the sites. This cohort represents 39 percent of the full sample in Corpus Christi, 45 percent in Fort Worth, and 35 percent in Houston.

[14]Across all the sites, 50 percent were assigned to the ERA group, and 50 percent were assigned to the control group.

The Employment Retention and Advancement Project

Table 1.3

Overview of Report Sample Sizes, by Site and Research Group

Site	Report Sample	Early Cohort	12-Month Survey
Corpus Christi			
Random assignment period	Oct. 2000 - June 2002	Oct. 2000 - June 2001	Jan. 2002 - June 2002
ERA group	656	337	141
Control group	653	331	149
Total sample size	1,309	668	290
Fort Worth			
Random assignment period	Oct. 2000 - June 2002	Oct. 2000 - June 2001	Sept. 2002 - Dec. 2002
ERA group	577	347	92
Control group	586	363	96
Total sample size	1,163	710	188
Houston			
Random assignment period	Mar. 2001 - June 2002	Mar. 2001 - June 2001	Jan. 2002 - June 2002
ERA group	904	340	150
Control group	912	333	147
Total sample size	1,816	673	297

The ERA 12-Month Survey

Clients' experiences in the program and their service receipt — as well as some measures of their income and job characteristics — are based on results compiled from a survey administered approximately one-year after random assignment to a sample that was evenly split between ERA and control group members. The survey sample was selected from adults in single-parent families who spoke either English or Spanish and who were randomly assigned from January through June 2002 in Corpus Christi and Houston and from September through December 2002 in Fort Worth.[15] This report includes the responses of 775 individuals (290 in Corpus Christi, 188 in Fort Worth, and 297 in Houston). The response rates for the survey are 82 percent in Corpus Christi, 75 percent in Fort Worth, and 80 percent in Houston.

[15]In Fort Worth, the survey sample is drawn from a different (and later) random assignment period than the report sample.

Field Research

Periodically between 2000 and 2004, MDRC staff interviewed case managers, service providers, and program administrators from both ERA and Choices. Information was collected about a range of issues, including program goals; the nature of job search, education and training, and support services; marketing and administration of the stipend; retention and advancement services; management philosophies and structure; relationships between organizations involved in the program; and enforcement of the participation mandate.

Data on Stipend Receipt

MDRC received program tracking data from each of the sites on stipend receipt for the full sample of individuals in the ERA group. Stipend data are available for the entire period that the Texas ERA program operated, from October 2000 to August 2004.

Time Study of Program Staff

MDRC drew on data collected from a two-week time study that was administered to ERA staff. The time study collected detailed information on the nature of staff-client interactions and on the topics covered in these interactions. In addition, the study collected information on how case managers typically spent their time each day. The time study was administered confidentially, using MDRC-assigned identification numbers to protect the identity of case managers. The time study was administered in 2003, from July 14 to 27 in Corpus Christi and Houston and from January 29 to February 11 in Fort Worth. In Corpus Christi, 73 percent of staff completed the time study, while 94 percent of staff in Fort Worth and Houston did so. A total of 22 staff completed the time study in Texas: 9 in Corpus Christi, 6 in Fort Worth, and 7 in Houston.

Telephone Discussions

Between October 2003 and March 2004, MDRC conducted a special study in which a small number of sample members were contacted by telephone to discuss their experiences with the ERA postemployment stipend. Drawing from the sample of individuals who completed the 12-month survey in Corpus Christi and Houston, this sample includes 20 individuals who, as of May 2003, (1) had received more than two monthly stipends or (2) had not received a stipend but were employed for four or more consecutive months, according to ERA program records.

Baseline Demographic Data

Data on clients' characteristics, such as educational background and welfare history, were collected by welfare staff after eligibility interviews and are available for all individuals in the research sample.

Roadmap of the Report

As previously mentioned, this report focuses on the Texas ERA program's implementation and impact findings. Chapter 2 further describes the program and its implementation. Chapter 3 provides information regarding impacts on service receipt. Chapter 4 covers impacts on employment, earnings, job characteristics, and other outcomes.

Chapter 2

Implementation of the Texas ERA Program

In order to interpret the impacts that the Texas Employment Retention and Advancement (ERA) program had on employment and other outcomes, it is important to understand how the program operated and how it was different from what members of the control group experienced in Choices, the state's standard program for recipients of Temporary Assistance for Needy Families (TANF). Drawing from field research, program data, and a time study of program staff, this chapter focuses on how the ERA program was implemented in the three Texas ERA sites: Corpus Christi, Fort Worth, and Houston.[1]

After a brief summary, this chapter describes how the Texas ERA program was put into place and its structure, staffing, and management. It then discusses the program's services, how program staff spent their time, and differences in implementation across the three sites.

Key Findings

While the Texas ERA program was intended to be distinct from Choices in terms of both pre- and postemployment services, most of the key differences were in the nature of the postemployment services, particularly the monthly stipend of $200 for working TANF leavers. In all three sites, the Choices program was relatively strong in terms of preemployment services — and experienced some improvements over the course of the study period — and the services were similar to those provided by ERA. Although team-based case management (involving partners from multiple agencies) was an important concept in the development of the ERA program and one that was intended to distinguish it from Choices, in the end the preemployment case management services of the two programs were similar and did not generally involve a range of organizations.

For TANF leavers who found jobs, ERA's retention and advancement services were strongest and most distinct from Choices after the four-month earnings disregard period — once individuals were receiving a stipend. At this point, participants began working most closely with the postemployment staff, typically meeting with them at least once a month. In Corpus Christi and Fort Worth, program staff often conducted this monthly meeting at the worksite of those who were receiving a stipend — although this did not begin in Fort Worth until later in the study period.

[1]Although the Texas program operated in various cities that are called "sites" in this report, Texas counts as a single ERA site.

Overall, Corpus Christi achieved the highest stipend receipt rate: Approximately 30 percent of the ERA group received it. (The rates in the other two sites were lower.) Individuals who found jobs and received the entire four-month earned income disregard generally became eligible for a stipend — although they may have not received it if they did not work enough hours, submit the required documentation, or attend the required activity. Among those who did become eligible for the stipend because they worked longer than the disregard period, about half received at least one stipend.

All three Texas sites found that significant effort had to be put into marketing the stipend, and they made a good-faith effort to do so, particularly over time. Yet there was clearly room for improvement. Among the participants who were eligible for the stipend, the reasons for not getting it appear to have varied and included not attending the required employment activity, having a desire to discontinue involvement with a government program, and lacking knowledge or understanding of the stipend requirements. In addition, despite the program's services, it appears that job loss continued to be an issue in the ERA program, with some participants losing jobs before they became eligible for the stipend. Notably, among those who did receive a stipend, many received it on an ongoing basis.

Corpus Christi implemented the ERA program most smoothly and developed several strategies that were adopted by the other two sites over time. These included marketing strategies for the stipend, designating case managers to work only with individuals who were receiving stipends, and developing strong postemployment services (including regular site visits to employers, in-house support groups to meet the stipend participation requirement, and specific performance measures for staff). These innovative practices reflect the work of the strong management team that the program had in place during the early phases of the project. The Fort Worth program struggled for a good portion of the study period but made significant improvements when a new manager was hired and when more structured job search services and regular employer site visits were put into place. Houston moved most slowly to launch key components of the program — particularly postemployment services.

The Framework: Structure, Staffing, and Management

Organizational Structure and Program Funding

As discussed in Chapter 1, the Texas ERA program was designed by the state's Department of Human Services (DHS), in coordination with the Texas Workforce Commission (TWC). At the local level, all employment services for TANF recipients are coordinated by local workforce development boards, under the guidance of TWC. Both the ERA program and

Choices were funded by TANF,[2] although, for ERA, the workforce boards contracted with DHS for funds, whereas resources for Choices are administered directly by TWC.[3] In each of the sites, the local workforce development boards contracted with nonprofit organizations to operate the ERA and Choices employment programs.

Each site had some discretion in how it structured the ERA program, although each followed the same general model. Table 2.1 presents the key partners, roles, and staffing arrangements in the Texas ERA Program. Except in Fort Worth, the nonprofit agency that was under contract with the local board to operate the ERA program was also the contractor for Choices; for the most part, however, each program had separate staff. In Fort Worth, the workforce board contracted with a new organization — the Women's Center — for some ERA services (primarily case management) while also using the Choices contractor and staff for other ERA services (primarily job search). In Houston and Fort Worth, the ERA and Choices programs operated from the same locations, in One-Stop Centers.

As part of developing a team-based case management approach, each site established partnerships with other organizations in operating its ERA program. The partnership in all the sites included the local DHS office and an organization working to prevent substance abuse. Houston also included a partnership with a domestic violence organization and a nonprofit organization that connected participants to training options. In contrast, the Choices program did not explicitly develop any partnerships with other organizations. Choices did work with DHS staff on eligibility issues, but the ERA programs generally forged stronger linkages with this agency. In Corpus Christi, for example, the ERA staff worked with only two DHS eligibility staff, whereas the Choices staff had to coordinate with a much larger number of DHS staff.

Staffing and Training

ERA services in Texas were provided primarily by case managers who were employed by the nonprofit agency operating the ERA program in each site. As shown in Table 2.1, while staff responsibilities in the ERA program evolved over time in all the sites, all ended up using a specialized case management approach — with one set of staff responsible for preemployment case management activities (primarily assessment and monitoring participation); another responsible for job search, job development, and reemployment assistance (in Corpus Christi and Fort

[2]The exception is the ERA stipend, which was funded by another source — Aid to Families with Dependent Children (AFDC) sanction resettlement funds from the U.S. Department of Health and Human Services (HHS). As a result, TANF regulations on the definition of "assistance" do not apply to the stipend. Payments that are categorized as assistance are subject to certain rules, primarily the federal five-year time limit.

[3]In 1998, when HHS's Administration for Children and Families (ACF) started the planning phase of the ERA project, it issued planning grants to the designated TANF agency in each participating state. At the time, DHS was the designated TANF agency in Texas, although that responsibility now falls to TWC.

Table 2.1

Organizational Roles, Key Partners, and Staffing Arrangements in the Texas ERA Program

	Corpus Christi	Fort Worth	Houston
Lead agency	Coastal Bend Workforce Development Board	TWC/Workforce Development Board	Houston-Galveston Area Council
Provides TANF eligibility services	DHS	DHS	DHS
Operates ERA program	Workforce-1	Women's Center, CERCO[a]	HoustonWorks
Operates Choices program	Workforce-1	CERCO[a]	HoustonWorks
Other ERA program partners	Council on Drug and Alcohol Abuse	Council on Drug and Alcohol Abuse	Employment and Training Centers, Inc.; Council on Alcohol and Drugs; Houston Area Women's Center
Programs/services colocated at ERA program	DHS	DHS; One-Stop Center	One-Stop Center; Houston Area Women's Center; Employment and Training Centers, Inc.
ERA case management approach	Specialized: pre-employment case management staff; job search/job development staff; postemployment staff	Specialized: pre-employment staff; job search/job development staff; postemployment staff. Women's Center provides pre- and post-employment case management; CERCO provides job search services.	Started as generalist approach but moved to specialized: pre- and postemployment staff.

NOTE: [a] In September 2003, CERCO replaced Work Advantage as the contractor for ERA and Choices.

Worth only); and another responsible for postemployment case management activities (monitoring individuals' employment status, issuing stipends, assisting with job-related issues). In all three sites, DHS staff — not ERA program staff — were responsible for TANF eligibility issues.

Table 2.1 shows, however, that there were important distinctions across the sites. Corpus Christi moved most quickly to establish its staffing structure. Fort Worth used staff from

two organizations to provide different services to ERA participants for much of the study period — with one organization being focused on case management and the other providing job search activities. Houston used a generalized case management approach for much of the study period but moved to a specialized approach over time. The size of the programs in terms of staff varied. Corpus Christi generally had the largest staff, at one point including a dozen case managers as well as other administrative staff and a workshop facilitator. The Fort Worth and Houston programs were generally smaller, with six to eight case managers. Caseload sizes varied across the sites, across type of staff, and over time. All the sites went through some period over the course of the study when they were short-staffed and caseloads were higher than intended.

Although team-based case management was an important concept in the development of the ERA program, in the end, ERA case management services did not involve staff from a range of organizations. In general, the primary staff providing services were ERA staff from the agency that contracted to operate the program, rather than from other organizations. As discussed above, several of the programs developed linkages with other organizations to provide specialized services, but these were generally used on an as-needed rather than routine basis, and few participants ended up accessing them. For example, in Houston, a representative from a domestic violence organization was colocated at the ERA program but provided assistance only to those who requested it — and few did. Across the sites, staff from organizations to prevent substance abuse were initially involved in assessing participants' needs for these services, but they generally did not work with participants on an ongoing basis. By the end of the study period, these organizations had very limited involvement with the ERA program, in large part due to perceived limited interest in and use of their services by program participants.

Staff varied in their previous employment experiences. Some — particularly in the Choices programs — had a history of working with welfare-to-work programs. Others did not have experience in social services but brought experience from other related fields, such as employment placement or temp agencies. DHS held annual training sessions for ERA staff in all three sites, covering a range of issues related to the program, including the marketing of financial incentives, developing career ladders, and identifying strategies to prevent job loss and promote advancement.

The Choices program used a more traditional case management approach: The same case manager worked with a client throughout the client's time in the program. There were no staff who specialized in job search or job development activities or in working with clients after they found jobs.

Management

At the local level, the ERA program was generally managed by a program director at the local workforce development board, and a program manager was responsible for day-to-day operations at the contracted agency. Over the course of the study, there were changes in the management of the program in two of the sites. In Fort Worth, a new program manager started in fall 2002 and was the impetus for many subsequent program improvements. In Corpus Christi, the strong management team that was in place during the early phases of the project and was responsible for developing the most innovative initial ERA program moved on to other positions and was replaced in summer 2002.

In addition to overseeing its contracts with the local workforce board in each of the sites, DHS also played a management role in the ERA program. DHS set performance targets for the individual ERA sites in several areas, including participation, placement rates, retention rates, and wage increases. State staff held monthly conference calls with the sites to review performance on these measures and to provide opportunities for sharing best practices. DHS staff also conducted regular site visits to assess operations and provide technical assistance.

Corpus Christi was the only site to develop a comprehensive performance management system for staff, based on measures similar to those developed by DHS (see Box 2.1). Although the staff performance measures in Corpus Christi evolved somewhat over time, both management and line staff took these performance measures seriously. The other sites generally did not have specific performance measures for staff — particularly measures related to job retention and advancement issues. For example, Houston did have some job placement measures for staff but had none related to postemployment services or stipend receipt. The Choices programs also did not include any comprehensive performance systems for staff, although some did require staff to meet a certain number of job placements.

The Texas ERA Program's Services and Messages

While there were some variations across the three sites, Figure 2.1 illustrates the typical path of individuals through the Texas ERA program. The rest of the section discusses the services that were provided, with attention given to the differences across sites. (Chapter 3 presents quantitative information on the ERA and control groups' use of employment-related services.)

Preemployment Services: Job Preparation Services

As noted in Chapter 1, individuals were randomly assigned to the ERA or the Choices group at their TANF application or recertification interview at the local DHS office. Those who were assigned to ERA attended a group "workforce orientation" that was required in order to become certified for TANF. Once certified, individuals were referred to the ERA program. If

Box 2.1

Corpus Christi's Performance Management System

Throughout the course of the study, the Corpus Christi ERA program used specific performance measures to assess staff performance. Although these changed over the course of the study, they were focused on key tasks, including participation levels, job placements, retention rates, wage increases, employer site visits, and payment of stipends. Because staff were specialized in terms of their job responsibilities, performance measures varied for different types of staff. For most of the study period, staff who were responsible for managing preemployment services for a case were expected to have at least two-thirds of their caseload actively participating in program activities at any time. Staff who were responsible for helping participants find jobs were evaluated primarily on the basis of job placement rates and average wage placement. Postemployment services staff, who worked with participants once they were receiving a stipend, were evaluated based on wage rates and participants' retention after 1, 6, 12, and 18 months of employment. They were also required to contact each participant monthly, meet with each participant quarterly, and conduct at least 25 employer site visits per month. Later in the study period, performance measures for postemployment staff changed somewhat; each month, staff were expected to issue 50 stipends, make 38 employer site visits, and have five participants with a wage increase.

Each staff person in Corpus Christi met individually with his or her supervisor for a monthly review, which was designed to discuss progress made toward meeting performance benchmarks. If a staff member was not meeting benchmarks, the supervisor reviewed cases with him or her to find ways to make improvements.

individuals did not attend the workforce orientation or meet other eligibility requirements, they could not receive TANF or ERA services (including the stipend). As a result, and as discussed further below, some individuals in the sample were not certified for TANF and could not participate in the ERA program.

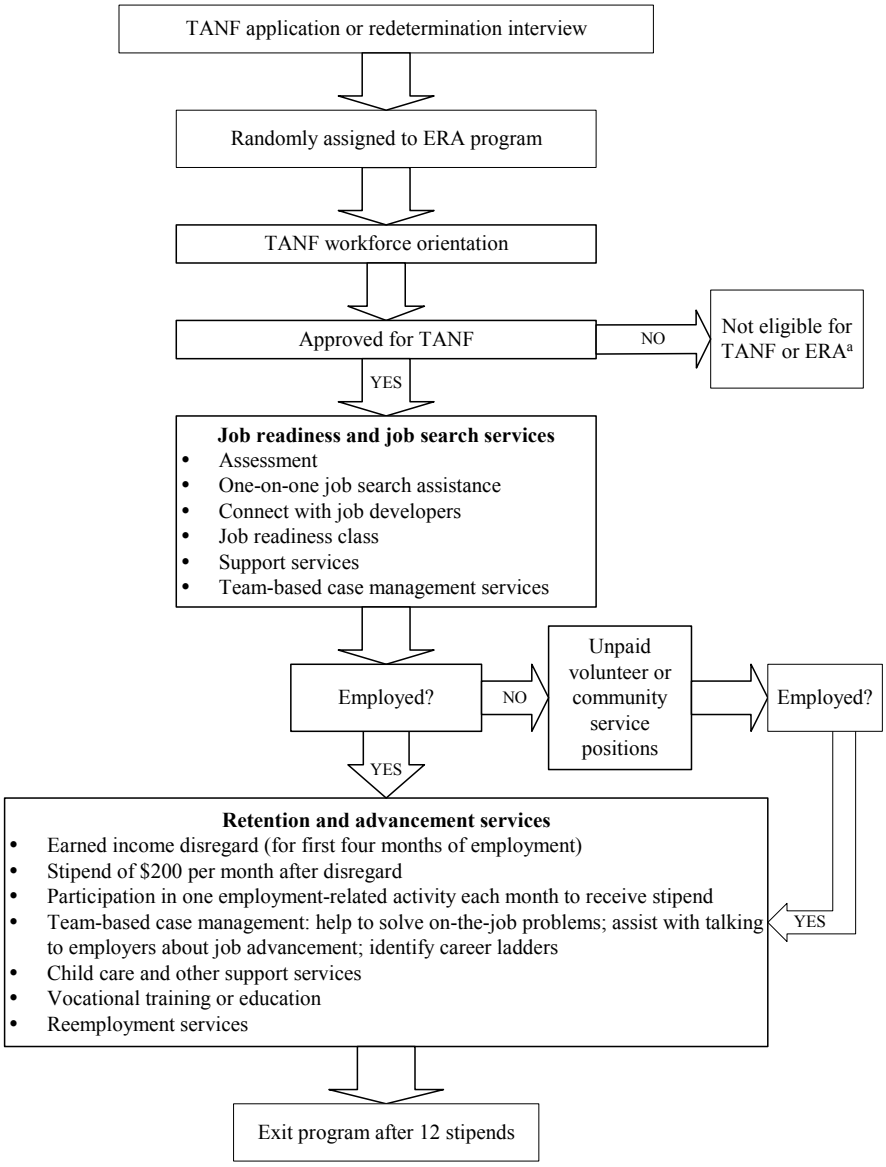
Separate workforce orientations were held for ERA and Choices; the orientations were usually held on a different day than the eligibility or recertification interview at the DHS or the ERA/Choices office. In the orientations, individuals heard about the purpose of the program and its services and requirements, and they were scheduled to meet with an ERA case manager. While both orientations emphasized the importance of work and the program requirements, the ERA orientation included more information on the stipend and other services unique to ERA. At the workforce orientation, clients were referred for services at the ERA program.

Across the three sites, job placement was the primary goal for program participants, and the preemployment services were focused on this objective. As the first step in the program, participants generally attended a job search workshop of several days (the duration of the workshop varied by site and over time). The workshop covered a range of job search activities,

The Employment Retention and Advancement Project

Figure 2.1

Typical Paths of Individuals Through the Texas ERA Program



NOTE: [a]These individuals remain in the study sample.

including resources, résumé development, and interviewing techniques, and it included a discussion and marketing of the postemployment stipend. As part of the job search workshop, participants met individually with their case manager, an assessment was conducted, and support services were arranged. (Those needing child care were referred to a contractor who handled these arrangements.)

The assessments generally focused on reviewing education and work history and addressing needs for support services. There was some focus on identifying long-term career goals and pathways as part of the assessment — particularly in Corpus Christi. The assessment also included a test of basic reading and math skills and screenings for learning disabilities and for mental health and substance abuse issues. During the early stages of the program, Fort Worth had a very strong focus on the assessment component. This was often a multistep process involving various staff, and the process had the effect of limiting the number of individuals who received other program services. Throughout the study period, Houston also included an additional in-depth assessment for many participants (which involved an extensive interview with a staff person who was a licensed psychologist).

The Texas ERA program in all the sites had a strong focus on immediate employment, particularly when the federal waiver from participation requirements ended; it had allowed individuals to engage in a wide range of employment and training activities in order to meet the federal work participation requirements. After the waiver, an individual's initial activity was generally a four-to-six-week search for employment. Before the waiver expired, however, although job search was still the primary initial activity, the sites allowed more flexibility and included such activities as obtaining a General Educational Development (GED) certificate. During the job search phase, participants were typically expected to make a certain number of employer contacts each month and to bring a completed job log to their weekly meeting with the case manager. Staff did explore clients' interests and, if possible, helped them find jobs that fit those interests. But — largely because of the emphasis on achieving the federal participation rates — staff usually encouraged participants to take a job quickly.

The sites varied in how they handled job development — or locating potential job openings for ERA participants. The Corpus Christi and Fort Worth programs designated specific staff to focus on job development and placement, whereas the Houston program gave this responsibility to individual case managers. During the early phases of the program in Fort Worth, difficulties arose in coordinating case management and job search services, which were provided by two different organizations, and this affected client flow through the job search services. Houston tried to use job development services provided by One-Stop staff or the ERA program but found that many of the openings required skills that participants did not have.

Individuals who did not find work by the end of the job search period generally participated in community service or a volunteer position at an employer. ERA case managers had a number of potential slots available, and they helped participants locate the one that best fit their interests. Community service positions generally required 20 hours or more of participation per week and continued until the individual found a job or left TANF. Staff reported that few individuals took community service positions, because they either found jobs or left TANF for other reasons.

Participation in the ERA program was mandatory except for those who had a child younger than age 1, were ill or disabled, or were caring for a disabled family member. (Individuals who were not mandated to participate were known as "exempt.")[4] ERA case managers took the participation mandate seriously, by closely monitoring attendance and sanctioning individuals if they did not attend program activities without good cause. For most of the study period, the sanction was a partial reduction of the family's grant, although Texas adopted a full-family sanction in June 2003. Exempt individuals were eligible for all components of the ERA program and were strongly encouraged to participate — and it appears that many did so.[5]

In terms of preemployment services, the Choices programs across the sites were relatively strong and similar to the ERA programs. In addition, these services in Choices appear to have grown stronger over time, particularly after the waiver from federal participation requirements ended. After this, Choices developed a stronger focus on immediate employment and made a more concerted effort to increase participation levels in program services in order to meet federal requirements. Although there was some variation across the sites, Choices typically included the following preemployment services:

- Participants were required to attend a workforce orientation on the Choices program in order to be certified for TANF.
- A basic assessment was followed by four to six weeks of job search as the initial activity. Participants worked one-on-one with their case manager to find jobs and were required to make a certain number of employer contacts per week.
- In some cases, a job readiness workshop (in addition to the one-on-one job search assistance) was provided, but not as routinely as in ERA. Choices also generally put less emphasis on longer-term career planning.

[4]As noted in Chapter 1, about 25 percent of those assigned to ERA were exempt from the participation requirement.

[5]Data from the ERA 12-Month Survey (see Chapter 3) show that mandatory and exempt individuals participated in employment services at comparable levels.

- Community service or a volunteer position was provided for individuals who did not find employment by the end of the job search period.
- Like ERA, Choices was a mandatory program, and participants faced the same sanctions as under ERA if they did attend services as required.

Postemployment Services: Retention and Advancement Case Management Services

For employed participants, the goal of the ERA program was job retention and advancement in the labor market; both case management and financial incentives were provided to achieve this goal. As discussed above, individuals in the ERA program who found jobs received a four-month earnings disregard prior to receiving the monthly stipend that was part of the standard TANF program in Texas (and was also available to control group members in Choices). During the earnings disregard period, ERA's case management services were as follows:

- Except in Fort Worth, preemployment case managers (rather than retention and advancement staff) were generally required to have monthly contact with working participants during the earnings disregard period. In order to determine continued eligibility for TANF and the disregard, case managers were required to verify the hours and wages of employment monthly, through these contacts, but they also used the opportunity to address any job-related issues. The contacts often but not always took place over the phone, and participants faxed any necessary paperwork to the case manager.
- ERA participants typically met with postemployment staff once during the disregard period to encourage individuals to take advantage of the stipend after the period ended and to review the requirements to receive it (particularly the hours of work required, the documentation needed, and the required monthly employment-related activities).

Retention and advancement services were strongest once individuals started receiving the stipend. At this point, postemployment staff were expected to continue to make at least monthly contact with individuals on their caseload. During the initial stages of employment, staff focused on job retention and job-related problems while ensuring that individuals met the requirements to receive the stipend. However, as clients became stabilized in their jobs, staff also discussed advancement options — primarily in terms of the next job at the current employer or a job change.

In order to address both retention and advancement issues more effectively, the ERA programs in Corpus Christi and Fort Worth conducted many of their monthly meetings with

stipend recipients at the worksite — although Fort Worth did not begin employer site visits until later in the study period. Because it was difficult to schedule office visits when participants were working and because staff found in-person meetings more valuable than phone contacts, Corpus Christi initiated the practice of routinely meeting at the worksite. These meetings generally included both the employee and the employer in discussions of job-related issues, job performance, and advancement options. (See Box 2.2.)

Box 2.2

Employer Site Visits in Corpus Christi

In Corpus Christi, for most of the study period, postemployment staff conducted employer site visits at 2 weeks and at 1, 3, 6, 12, and 18 months after an individual found a job; staff later moved to the goal of monthly site visits whenever possible. During the employer site visit, program staff spoke to both the worker and the supervisor about job performance and any issues that might have arise on the job (such as attendance, punctuality, or relationships with coworkers). After the individual had been stabilized on the job, staff members discussed advancement with both the employee and the employer. ERA staff worked with participants on things that were needed in order to move into a better job, such obtaining more skills and training or taking greater initiative on the job. The employer was also asked what workers needed to do to advance in their jobs and how often the employer evaluated workers and gave raises.

ERA staff conducting employer site visits noted that not all employers were amenable to meeting with them about specific employees but that most were. To gain employers' buy-in to the program, staff found that it was important to explain the goals of the ERA program, to emphasize the assistance that they could provide (improving job retention by addressing problems, assisting with staff development, and assisting in filling future vacancies), and to build a relationship with the employer. Staff also found that it was helpful to keep the meetings with employers "friendly and casual" and short (lasting less than five minutes). Staff reported that most employees were amenable to the site visits because it saved them a trip to the ERA office or trying to connect by phone. If an employer or employee did find the visits problematic, ERA staff arranged to meet with the employee during lunch hour or a break or at an offsite location.

In Houston, due to administrative issues, ERA staff were generally unable to conduct employer site visits, and so they maintained contact with working participants through office visits and phone calls. In general, for much of the study period, the Houston program placed a higher priority on enrolling welfare recipients and on delivering preemployment services. This

site focused on developing more comprehensive retention and advancement services near the end of the study period.

Despite the ERA program's retention and advancement services and financial incentives, staff reported that job loss was more pervasive and occurred more quickly than they expected. Although staff knew that job loss was a common problem for the ERA population, they were still surprised by its magnitude. Sometimes participants informed staff when they were going to lose a job or quit, but other times staff did not find out until attempting their monthly contact. Because of this, all the sites found that they needed to strengthen their reemployment services. Corpus Christi and Fort Worth had goals of reemploying ERA participants within two weeks of finding out about the job loss. This assistance was provided regardless of whether the individual was on TANF or not. Fort Worth also designated a case manager to address all cases who needed reemployment services.

In Choices, the postemployment services consisted primarily of monthly contact with participants to monitor and verify employment status while they were receiving the four-month earned income disregard. Choices case managers generally did not maintain contact with individuals once they left TANF and were no longer receiving the disregard. Choices also did not offer reemployment assistance unless an individual reapplied for TANF, and then it offered standard Choices preemployment services.

Financial Incentives: Administration and Use of the Postemployment Stipend

As discussed above, to encourage job retention and advancement, the Texas ERA program used an innovative approach: a payment of $200 per month for up to 12 months. This stipend was available after the earned income disregard period for individuals who worked 30 hours per month or who worked part time in combination with attending school. The following sections discuss the marketing and use of the stipend, why some individuals did not use it, and the experiences of participants who did use the stipend.

The Marketing and Use of the Stipend

The Texas ERA program made a solid effort to market the stipend to participants. Particularly in the early stages of the program, take-up of the stipend was lower than expected, and all three sites increased their marketing efforts over the course of the study. Staff had initially thought that the stipend would essentially "sell itself" — given its relatively generous level and minimal requirements (particularly compared with TANF). However, staff across the sites eventually recognized the need to adopt a multifaceted marketing approach that focused primar-

ily on the stipend as a way to increase participants' income but that also increased the incentive for participants to find and keep jobs.

Corpus Christi moved most quickly to develop a strong marketing effort, and many of its strategies were adopted by Fort Worth and Houston. These marketing strategies included:

- Telling participants about the stipend and strongly encouraging them to take advantage of it at all junctures of the program — immediately after participants were assigned to the program, at their assessment, during job search activities, when they found a job, and when they had finished the earnings disregard period.
- Displaying posters and fliers throughout the ERA offices to inform participants about this benefit.
- Developing strategies to make the stipend sound more straightforward and appealing. For example, staff started calling the financial incentive an "employment bonus" — because many clients did not understand what a stipend is (some thought it was a loan that had to be paid back). Staff also started emphasizing that participants could receive a total of $2,400 — because the larger amount obviously had greater appeal.
- Creating posters and videotapes to tell the "success stories" of participants who had received stipends and how they had used the resources.

While the sites made a good-faith effort to market the ERA stipend, it appears that their efforts were not as strong as those made in other programs that provided a financial incentive to encourage work. (See Box 1.1 in Chapter 1.) For example, the Canadian Self-Sufficiency Project (SSP) provided an hour-long individual orientation that focused exclusively on the program's earnings supplement and included brochures and illustrations of various financial scenarios to help the client understand the incentive. In contrast, the Texas ERA program often provided information about the stipend along with a range of other information about different program rules and requirements. Although the stipend information was repeated consistently throughout the ERA program, because it was delivered among many other program features, it may not have been as effective as a message that focused exclusively on the financial incentive. The marketing of the ERA stipend may have been particularly challenging, given that receipt of the stipend could seem far in the future to some participants and was contingent on achieving several outcomes in addition to becoming employed (discussed further below).

Steps Required to Receive a Stipend

After ERA participants had received the entire four-month earned income disregard, several steps were required in every month that they wanted to receive the $200 postemployment stipend:

- Participants had to work the required number of hours, which was generally 30 hours per week in the given month. Although ERA allowed individuals to receive a stipend if they were going to school and working part time, this was not strongly promoted — in part because of TANF's emphasis on employment (preferably full time). Staff also reported that participants were not interested in this option and preferred to work full time. Staff did encourage ERA participants to pursue additional education and training — primarily, to get a GED certificate and some job training — but to do that in addition to working full time.

- Participants had to submit documentation of the hours they worked. This was usually a paycheck stub, which could be faxed to the ERA office or provided in person to the case manager.

- Finally, participants had to attend some type of employment-related activity each month. The Texas sites implemented this requirement in different ways but generally were flexible in what they allowed to count toward the monthly participation requirement — including training at work, education and training programs, various support groups, or other activities in the community. Each site also operated its own workshops or support groups that participants could attend to meet the requirement, and each also handed out a monthly calendar of both ERA-operated support groups and other community events that could be used to fulfill this requirement. In Corpus Christi and later in Fort Worth, staff distributed stipend checks at a monthly workshop, which allowed participants to get their check and meet the requirement at the same time — a popular approach. Otherwise, stipend checks were mailed to participants.

Initially, all the sites experienced some difficulty issuing the stipend checks in a timely manner, particularly because they did not have experience disbursing funds on a monthly basis. There were also some issues regarding how to verify that participants had worked enough hours to qualify for the stipend. Corpus Christi at first required a work supervisor's signature, but participants sometimes had difficulty obtaining this or did not want to ask for it. Such issues were resolved relatively quickly, however, and most stipend checks were issued on time.

The Use of the Stipend

To understand the Texas program's success in marketing and administering the postemployment stipend, this section examines the proportion of individuals in the ERA program group who received a stipend and the frequency and duration of stipend use.

Stipend Receipt Rates for the Program Group

To examine stipend receipt rates, administrative data were collected for all individuals who were assigned to the ERA program. This sample includes many individuals who did not qualify for the stipend because they did not find jobs, did not work enough hours, or did not work longer than the four-month earned income disregard period. As Table 2.2 shows, stipend receipt rates were highest in Corpus Christi, where 30 percent of all ERA group members received a stipend (including those who found jobs as well as those who did not) through the duration of the program. The receipt rate was lower in Fort Worth and Houston, where about 20 percent of ERA group members ever received a stipend. Figure 2.2 shows the proportion of the ERA group in Corpus Christi who received the stipend in each quarter as well as when individuals received their first stipend. Stipend receipt rates increased relatively quickly through the first and second year before leveling off in the third year. (Appendix E presents results for Fort Worth and Houston.)

Stipend Receipt Rates Among Key Subgroups

Figure 2.3 shows stipend receipt rates among key subgroups. (Chapter 4 also analyzes these subgroups in terms of program impacts.) The figure shows that stipend receipt was highest among those who had a strong employment history prior to random assignment. In Corpus Christi, for example, 40 percent of those who earned more than $5,000 in the year prior to random assignment received a stipend, compared with only 30 percent of the full sample. This subgroup may be more likely to find jobs and benefit from the postemployment services provided through ERA. In contrast, only 26 percent of those who were unemployed in the year prior to random assignment received a stipend. Other subgroups — such as those based on welfare history or high school graduation — did not show any differences in stipend receipt rates (not shown in the figure).

Stipend Receipt Rates Among Those Who Were Eligible

Individuals who found jobs and received the entire four-month earned income disregard generally became eligible for the stipend — although they may have not received it if they did not work enough hours, submit the required documentation, or attend the required activity in a given month. Clearly, compared with the whole sample, a higher proportion of those who became eligible for the stipend did receive one. However, due to data limitations, it is not possible

The Employment Retention and Advancement Project

Table 2.2

Receipt Rates, Timing, and Duration of Stipends in the ERA Program[a]

Texas

Outcome	Corpus Christi	Fort Worth	Houston
Among all program group members			
Ever received a stipend (%)	30.0	21.7	20.4
Sample size (total = 2,857)	988	821	1,048
Among those receiving a stipend			
Average number of months to first stipend	16.8	14.4	17.1
Number of months to first stipend			
Less than 6	15.4	20.7	9.8
6 to 12	26.2	30.7	28.5
13 to 24	35.5	33.6	38.4
Over 24	22.9	15.0	23.3
Total number of stipends (%)			
1	11.1	5.6	17.8
2	4.7	6.7	10.3
3	3.7	6.2	12.1
4-6	17.9	15.2	24.8
7-10	13.9	16.9	25.7
11 or more	48.6	49.4	9.3
Average amount received ($)	1,631	1,681	1,247
Average number of months stipend received	8.2	8.4	5.2
Sample size (total = 688)	296	178	214

SOURCE: MDRC calculations from ERA program tracking data.

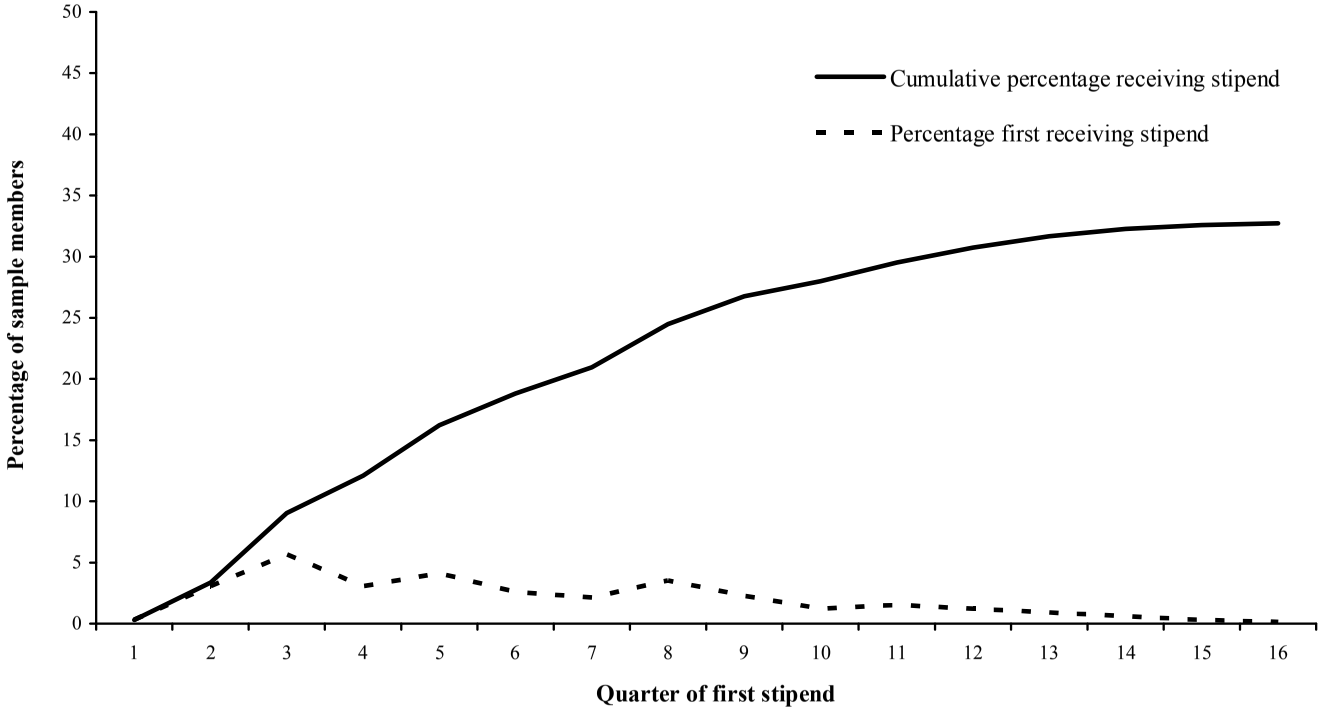
NOTE: [a]Among all ERA group members randomly assigned October 2000 through January 2003.

The Employment Retention and Advancement Project

Figure 2.2

Percentage of Program Group Members Receiving the ERA Stipend in Corpus Christi, by Quarter After Random Assignment

Texas

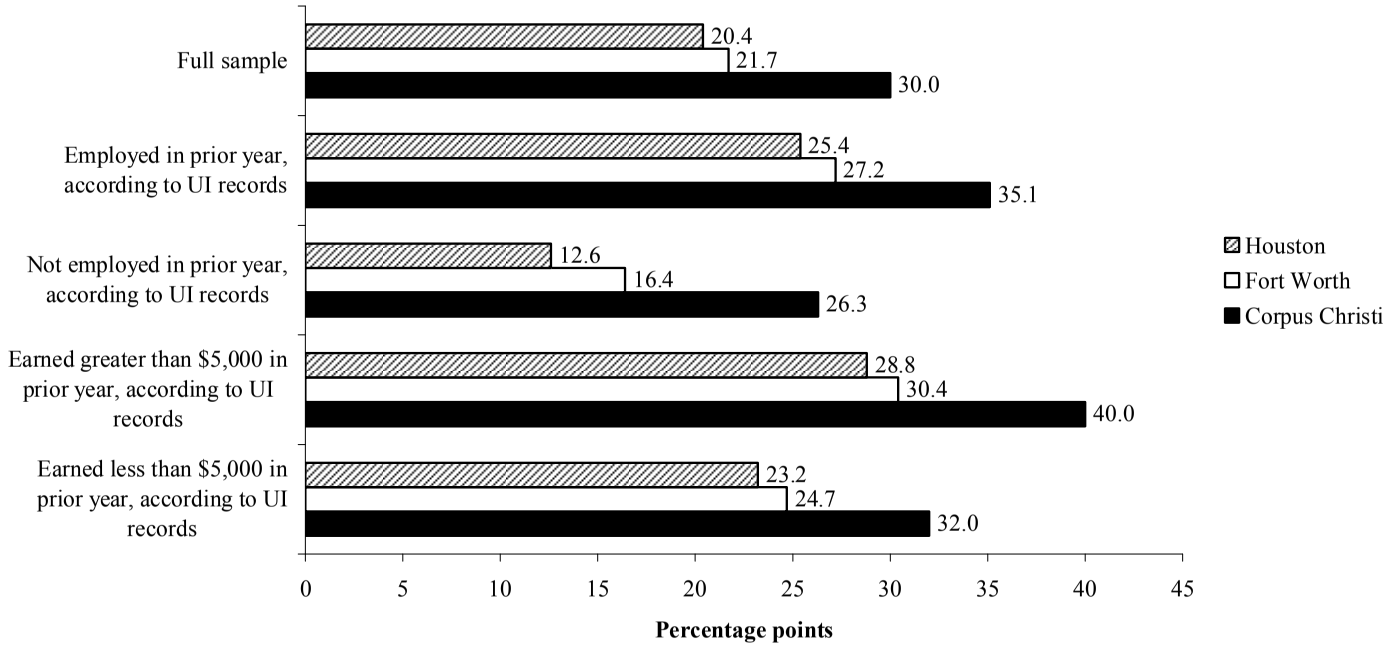


The Employment Retention and Advancement Project

Figure 2.3

Percentage Receiving the ERA Stipend Among the Full Sample and Key Subgroups Defined by Pre-Random Assignment Status

Texas



SOURCE: MDRC calculations from ERA program tracking data.

to estimate who was eligible for a stipend. To provide a rough idea of the receipt rate among those who were eligible, Figure 2.4 estimates the proportion of people who were likely to have gone through the steps involved in receiving a stipend in Corpus Christi. (Appendix E presents estimates for the other two sites in Texas.) Figure 2.4 shows that:

- Out of every 100 people randomly assigned to ERA, 84 met the first criterion for receiving a stipend: They were determined eligible for the TANF program and received benefits. As noted above, individuals were not eligible for a stipend unless they received TANF cash assistance.

- Of those 84 people, 70 became employed at some point during the follow-up period. However, to receive a stipend, an individual must have worked beyond the four-month earned income disregard period. Because participants could receive the disregard only once in a 12-month period (and the disregard did not have to be received in consecutive months), the eligible population was estimated as those employed individuals who worked in two or more quarters within a year and who earned over $2,400 in these two quarters, based on unemployment insurance (UI) data.[6] This was done to eliminate those who worked very little over the two quarters and who would not have received the disregard for the full period. Figure 2.4 shows that an estimated 55 of the 70 employed participants in Corpus Christi appear to have worked enough to receive the entire four-month earnings disregard.[7]

- Of the 55 who worked at least four months, 30 individuals (or 55 percent) received a stipend. While this is not a precise estimate of the stipend receipt rate among those who were eligible, it shows that Corpus Christi, in particular, was effective in encouraging the take-up of the incentive for at least a moderate proportion of the eligible population. In Fort Worth and Houston, approximately 40 percent of those who worked longer than four months received a stipend. (See Appendix E.)

These take-up rates are lower than were found in other studies of programs using financial incentives. In SSP, for example, a similar proportion — approximately 35 percent of the program

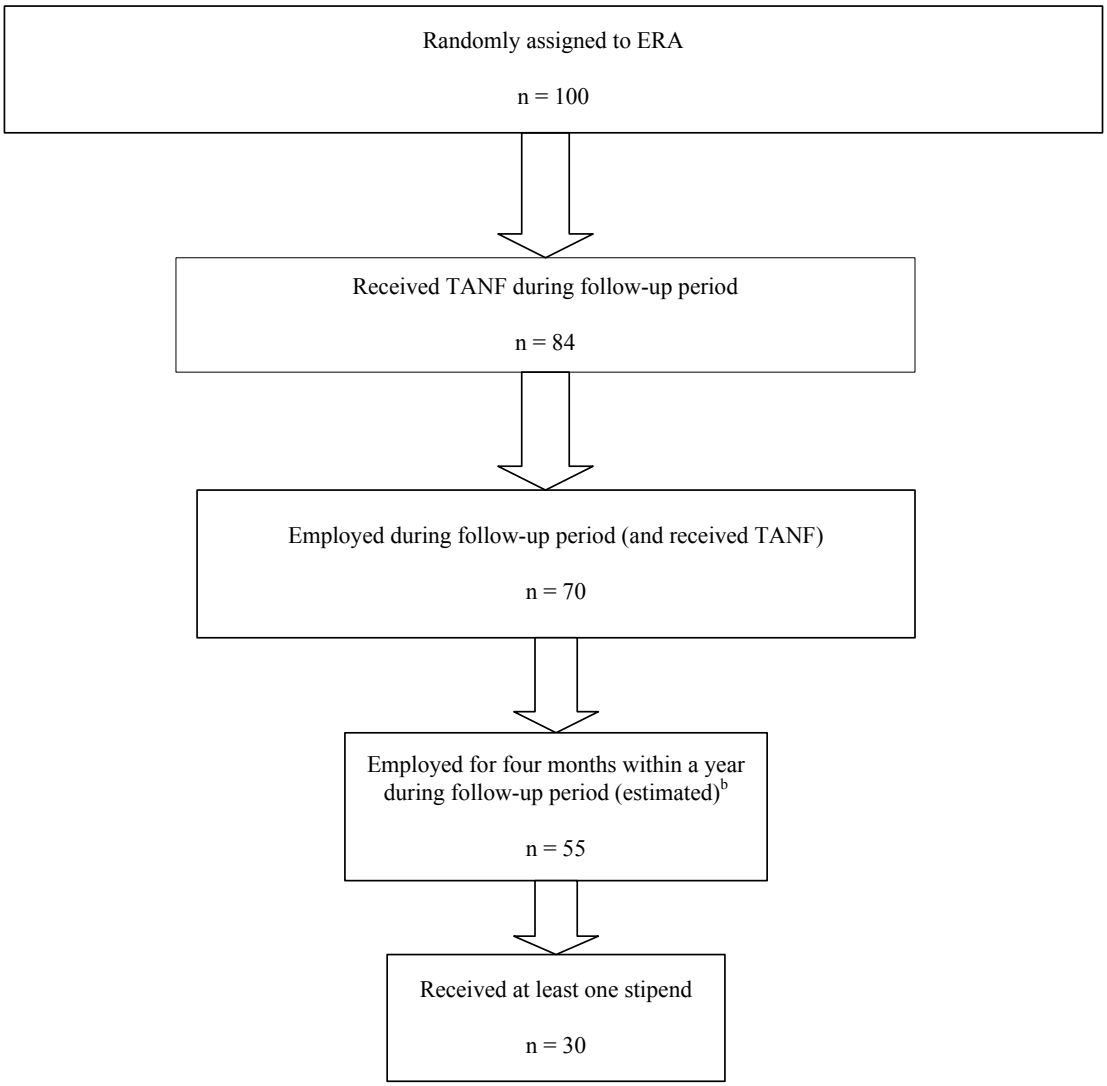
[6]For the earnings threshold, it was assumed that an individual worked 20 hours per week at $7 per hour for four months.

[7]Because the earnings threshold that was used to determine who would be eligible for a stipend is an estimate, a sensitivity analysis was conducted to determine how the results would change using different earnings thresholds. Overall, this analysis did not find large differences in terms of the number who would be eligible for the stipend.

The Employment Retention and Advancement Project

Figure 2.4

Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Corpus Christi[a]



SOURCES: MDRC calculations from UI administrative records from the State of Texas and ERA program tracking data.

NOTES: [a]Among all ERA group members randomly assigned from October 2000 through January 2003.
[b]The proportion of individuals who worked for four months and thereby completed the earnings disregard period was estimated using UI records. Individuals were determined to have worked for four months if they were employed for two consecutive quarters within a year and had total earnings of more than $2,400 during this period (this is the equivalent of working 20 hours per week for four months at $7 per hour).

group — used the financial incentive offered in that program.[8] However, in contrast, almost all the individuals who were *eligible* to receive the SSP incentive (because they worked full time) did so. In the Minnesota Family Investment Program (MFIP), because the financial incentive was provided in the welfare grant in the form of an earnings disregard, all the individuals who went to work automatically received the payment for as long as they remained on assistance.

The Timing of Stipend Receipt

As Table 2.2 shows, it was a relatively long period of time before individuals received their first stipend — about 17 months, on average (but less time in Fort Worth). In part this reflects that individuals were receiving their first stipend well into the third and fourth years of the follow-up period (Figure 2.2). In Corpus Christi, about 40 percent receive their first stipend in the first year; one-third did so in the second year; and one-fifth waited until the third year. As discussed above, this partly reflects the number of steps required before receiving a stipend, including participating in preemployment services, finding a job, and completing the earned income disregard period. It also could reflect the ongoing outreach efforts of staff to bring back into the program those who had left or had never participated.

The Duration of Stipend Receipt

Particularly in Corpus Christi and Fort Worth, many of those who did receive a stipend continued to receive it. Almost half of stipend recipients in those two sites received eleven or more monthly payments (Table 2.2). In Houston, nearly two-thirds of those who received a stipend received six or fewer payments, and only 9 percent received eleven or more. Similarly, among recipients in Corpus Christi and Fort Worth, the average number of months of stipend receipt was eight, compared with an average of five months in Houston. Among those who received stipends, the total payments averaged $1,631 in Corpus Christi; $1,681 in Fort Worth; and $1,247 in Houston.

To increase the stipend receipt rate, all three Texas sites expended considerable effort trying to locate individuals who had previously been in the ERA program but were not currently participating or who had never participated. Once these people were located, staff engaged them in job search services (if not employed) or encouraged them to take advantage of the stipend (if employed). Based on interviews with staff, these efforts appear to have had some, but limited, effects on increasing the receipt of stipends. This was a greater concern in Houston and Fort Worth, where the programs lost touch with some participants early on because of startup issues. Although these sites had organized outreach efforts to contact such individuals, staff were unable to get

[8]Michalopoulos et al. (2000).

many of them back into the ERA program. Many former participants were difficult to locate or could not be contacted, and many nonparticipants were still not interested in the program.

Reasons for Not Using the Stipend

While many ERA participants did use the monthly stipend, some working individuals clearly did not use it. There are several reasons why this could have occurred: The individual may not have met specific requirements, such as working enough hours in a particular month or attending the monthly activity; the individual may not have known about or understood the stipend; or the individual may not have wanted the stipend. Overall, it appears that different people did not use the stipend for different reasons, with no single reason dominating.

As one way of examining this issue, MDRC staff held telephone discussions with a small number of individuals (three in Corpus Christi and five in Houston) who had not received the stipend even though they appear to have been eligible for it, based on a review of the programs' employment records (that is, they had been employed for four or more consecutive months).[9] Given the small sample size, these individuals are not representative of all those who did not receive stipends when they may have been eligible, but their views are suggestive of hypotheses. Most of the respondents said they knew about the availability of the stipend, but two did not. Of the six who knew about it, a few said that they were not receiving the stipend because they found the monthly workshop requirement too burdensome; for example, one mother did not have anyone to take care of her children during the workshop's scheduled time. Other reasons for not using the stipend include not working enough hours, thinking that they would not be eligible for the stipend (and not being in communication with ERA staff), and not being sure why they were not receiving the stipend.

Several of these telephone respondents reported that they had limited interaction with ERA staff and did not use the services very much, although some had found the services helpful in the past. Several were no longer working (for a variety of reasons, including quitting, being fired, and being laid off), but most were not interacting with ERA staff to become reemployed. Most said they did not know that they could receive the stipend by attending school and working part time, but most were not interested in this option because of time constraints.

To understand why some ERA participants did not use the stipend, MDRC also conducted interviews with ERA staff, who again offered a range of reasons. First, some clients lost a job before the earned income disregard period ended. Several staff reported that this sometimes was beyond the control of the participant but that, in other cases, participants had a "fear"

[9]Repeated attempts to contact a much greater number of individuals about their reasons for not using the stipend were unsuccessful. The response rate for this effort was 23 percent.

of leaving TANF or they left the job for other reasons. In some cases, participants could not meet the stipend requirements; they either did not attend the monthly job-related activity or did not work enough hours in the month. Staff also reported that some participants felt a stigma associated with the stipend — much like being on cash assistance — and were not interested in continuing involvement with a "government program" after leaving TANF. Finally, staff reported that some clients were concerned about losing TANF's child care assistance. Even though ERA participants were eligible for transitional child care subsidies when they left TANF, some participants were concerned because ERA had a somewhat higher child care co-payment (although the stipend could be used to cover it), and this caused some to quit their job before the disregard period ended.

The Experiences of Individuals Who Received a Stipend

To better understand how the ERA participants who received a stipend used these funds, MDRC also held telephone discussions with several stipend recipients (five in Corpus Christi and seven in Houston). Again, because of the small sample size, the responses of these individuals are simply suggestive. Most respondents had received the stipend for at least several months, and three had received it for all 12 months.

Overall, these individuals found the stipend to be very helpful in covering household and work-related expenses. Most used the stipend to pay for rent, other household bills, food, child care or transportation. A few tried to save some of the funds for an emergency, although this was not as common. A few also used the money to buy something for their children. Although all respondents found the stipend useful, they consistently stated that the availability of the stipend did not affect their decision to take a job or stay in it — they would have made the same decisions even without this monthly incentive. A few individuals had lost their job at the time of the interview, primarily because they had been laid off or because the job had been temporary.

Most of the individuals in this group did not find the requirement to attend a monthly workshop burdensome, and many were enthusiastic about the sessions: "I love them"; the instructor makes it "fun for us"; they provide "great information"; and they "really opened my eyes." Several said that having a Saturday session to which they could bring their children made it easier to meet this requirement. But a few individuals did find the sessions difficult to get to, particularly given their work schedules. Three respondents (across both sites) reported experiencing at least some delay in receiving a stipend check.

Most of the individuals in this group spoke positively about their interactions with ERA staff. The type of assistance they received from staff varied but included help with transportation, child care, housing, work supplies, job search, and finding a better job. While one person was combining part-time work and attending a GED program in order to receive the stipend, most in-

dividuals said that they did not know they could also receive the stipend if they attended school part time while working. But these respondents also said that they would not be interested in this option at the moment because they did not have the time and had too many other responsibilities.

How Did ERA Staff Spend Their Time?

MDRC administered a "time study" in all the ERA sites to better understand the practices of program staff and what it takes to operate a program like ERA. The study captured detailed information on the nature of interactions between ERA staff and clients and on the topics covered in their interactions. It also collected information on how ERA staff typically spent their time each day. In Texas, the time study was administered over a two-week period in July 2003 in Corpus Christi and Houston and in February 2004 in Fort Worth — which is toward the end of the follow-up period for this report. During this time, all staff who worked directly with ERA participants — including pre- and postemployment case managers and staff who worked with participants to find jobs — recorded their activities each day, using forms designed by MDRC. At that time, very few new cases were being assigned to staff, although they continued to work with ongoing cases.

When the time study was administered, the caseloads of individual ERA staff ranged from 61 in Corpus Christi to 76 in Houston. Reflecting that the time study was conducted when few new clients were enrolling in the program, over half the caseload in each site were working (over 80 percent in Fort Worth were working). Caseload sizes varied somewhat across staff and types of staff but were generally in the range of other ERA programs.

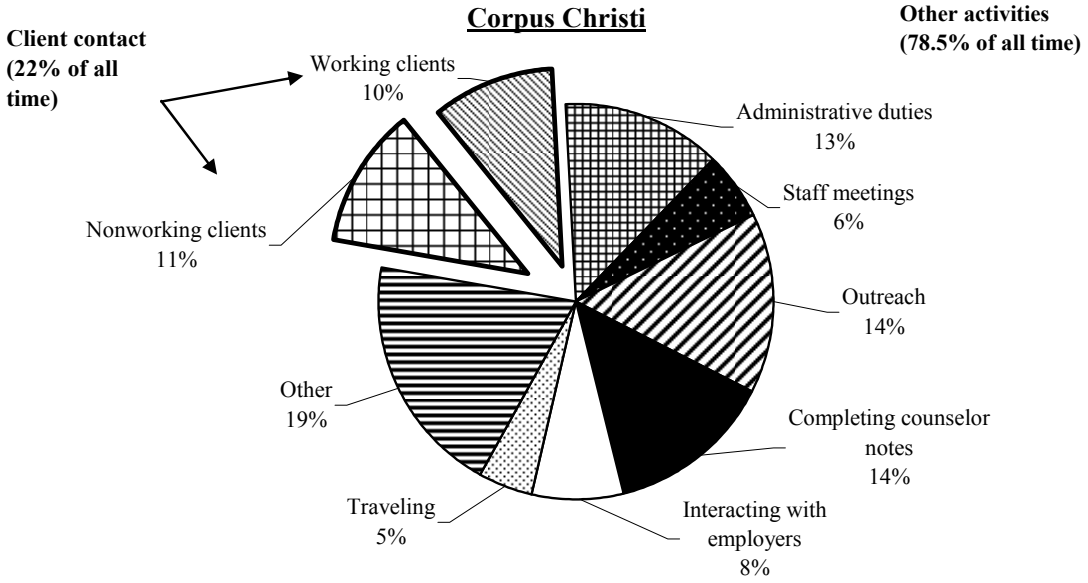
Figure 2.5 shows that when the time study was administered, staff spent about one-quarter of their time in contact with clients (ranging from 22 percent of the time in Corpus Christi to 29 percent in Houston). This is typical across the ERA sites. Staff spent about equal amounts of time with working and nonworking clients — except in Houston, where almost twice as much time was spent with working clients. Although activities varied somewhat across the sites, staff spent the remainder of their time doing administrative duties, participating in meetings, completing notes in the Management Information System (MIS), or attempting to contact participants (outreach). Notably, staff in Corpus Christi spent 8 percent of their time interacting with employers — one of the highest rates among all the ERA sites.

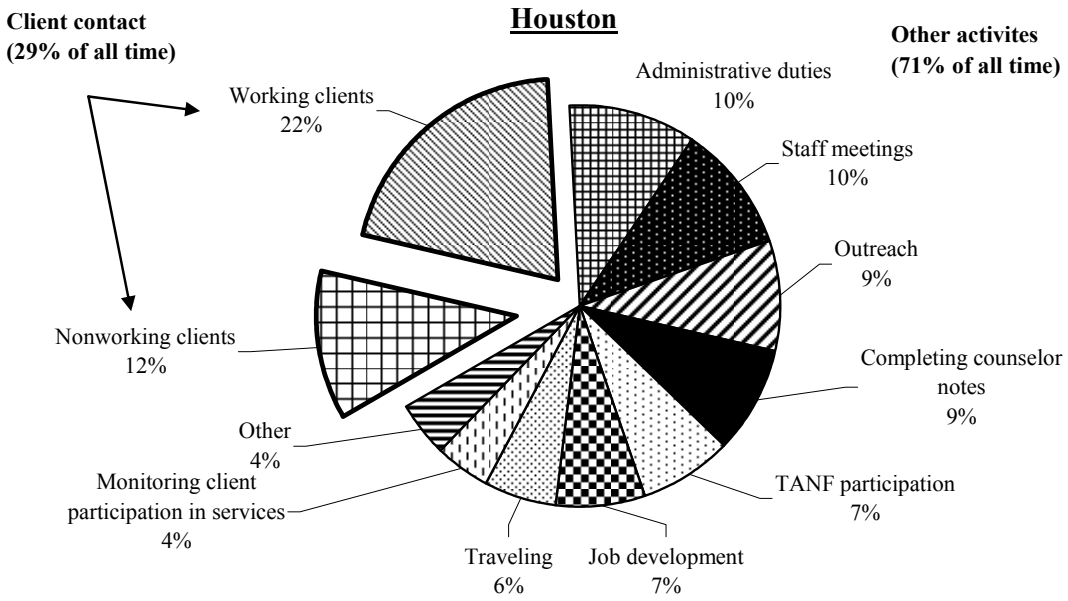
As shown in Table 2.3, the number of contacts per day that ERA staff had with program participants ranged from five in Corpus Christi to eight in Fort Worth. The average contact lasted about 18 minutes in Corpus Christi and Houston and was somewhat shorter in Fort Worth. Overall, staff in Fort Worth had more but shorter contacts than staff in the other two sites. About an equal amount of time was spent with working and nonworking clients — except in Houston, where contacts with nonworking clients were longer.

The Employment Retention and Advancement Project

Figure 2.5

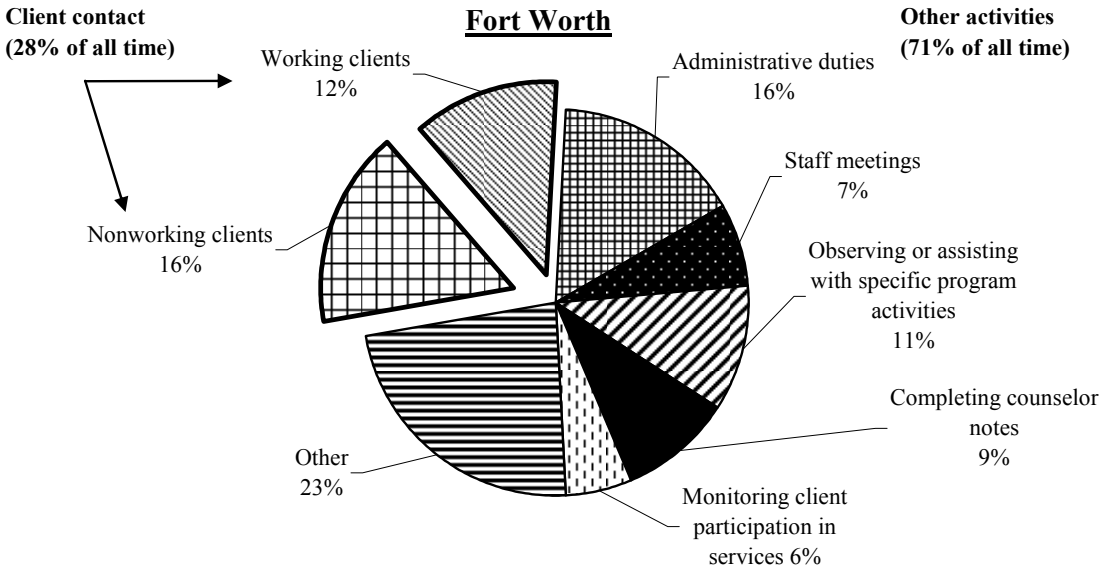
Summary of How Texas ERA Case Managers Typically Spend Their Time





(continued)

Figure 2.5 (continued)



SOURCE: MDRC calculations for the ERA time study.

Table 2.4 shows the type and location of all client contacts throughout the period studied. In Corpus Christi, contacts were split evenly between those that took place in person and those that did not, whereas more than 60 percent of contacts in the other sites were not in person. In all three sites, one-third of contacts occurred in the office. Corpus Christi was unique because it also conducted in-person visits to clients' employers and homes (9 percent and 6 percent of all contacts, respectively), whereas most contacts in the other sites were by phone.[10] In Corpus Christi and Fort Worth, staff initiated most of the contacts, but almost three-quarters of the contacts in Houston were initiated by clients.

Table 2.5 shows the percentage of client contacts that included discussion of various topics. Reflecting the emphasis on marketing the stipend, the most common topic/activity across all three sites was discussing issues related to the stipend (included in 23 percent to 44 percent of discussions). "General check-ins" were common in Corpus Christi and Houston; Houston had a large proportion of contacts addressing reemployment; and Corpus Christi and Fort Worth had a large proportion of contacts that included a discussion of participation and

[10]Although Fort Worth staff also conducted employer site visits during the period when the time study was conducted, they did not do any visits during the two weeks when the time study was administered.

The Employment Retention and Advancement Project

Table 2.3

Extent of Contact Between ERA Case Managers and Clients

Texas

	Corpus Christi	Fort Worth	Houston
Percentage of work time spent in contact with			
Any client	21.5	28.5	29.2
Working clients	11.3	12.0	18.5
Nonworking clients	10.2	16.5	10.7
Work experience clients	NA	NA	NA
Average number of client contacts per day per case manager			
Any client	4.9	8.1	5.7
Working clients	2.6	4.2	3.8
Nonworking clients	2.3	3.9	1.8
Work experience clients	NA	NA	NA
Average number of minutes per contact with			
Any client	18.6	14.8	18.3
Working clients	15.6	13.1	16.3
Nonworking clients	16.2	16.8	23.5
Work experience clients	NA	NA	NA
Number of case managers time-studied	9	6	7

SOURCE: MDRC calculations from the ERA time study.

NOTE: NA = not applicable.

sanctioning issues. Discussions of career goals and advancement occurred in 10 percent to 16 percent of the client contacts.

Variations in Implementation Across Sites

As the above discussion indicates, there was significant variation in how the three Texas programs implemented the ERA model. Overall, implementation was smoothest in Corpus Christi — the site that moved most quickly to establish a staffing structure and program services reflecting all aspects of the model. This included preemployment services with some focus on longer-term career planning; intensive postemployment case management, including regular employer site visits; and strong marketing of the stipend. Many of the practices in Corpus Christi — such as the specialized staffing arrangements, practices for marketing and distributing the stipend, and employer site visits for individuals receiving the stipend — were even-

The Employment Rentention and Advancement Project

Table 2.4

Description of Contact Between ERA Case Managers and Clients

Texas

	Corpus Christi	Fort Worth	Houston
Percentage of all client contacts that were:			
In person	51.0	37.9	36.4
Office visit	36.5	34.8	33.1
Home visit	6.0	1.2	0.9
Employer visit	8.6	0.0	1.1
Elsewhere	0.0	1.9	1.3
Not in person	49.0	62.1	63.6
Phone contact	40.5	61.8	61.8
Written contact	8.5	0.0	1.8
Other type of contact	0.0	0.3	0.0
Percentage of all client contacts, over a two-week period, that were initiated by:			
Staff member	59.2	57.1	26.3
Client	40.5	42.5	73.7
Another person	0.3	0.3	0.0
Number of case managers time-studied	9	6	7

SOURCE: MDRC calculations from the ERA time study.

tually adopted by the other two sites. Corpus Christi was also the only site to implement a comprehensive performance measurement system for staff.

The Fort Worth program struggled for a good portion of the study period, particularly in designing effective preemployment services. Initially, the program strongly emphasized assessment and removal of employment barriers, which limited the extent to which participants moved into employment and postemployment services. Coordination issues between the two agencies that were involved also affected client flow through the program's components. When a new manager was hired in 2002, however, the Fort Worth program made significant improvements, including more structured job search services and stronger postemployment case management services, along with regular employer site visits. During the early period, though, the program lost track of many individuals and could not locate many of them after things improved (although attempts were made). Thus, the stronger set of services was provided to only a portion of the participants who were assigned to the ERA group.

The Employment Retention and Advancement Project

Table 2.5

Topics Covered During Contact Between ERA Case Managers and Clients

Texas

	Corpus Christi	Fort Worth	Houston
Percentage of all client contacts that included the following topics:[a]			
Initial client engagement	16.8	15.9	7.6
Supportive service eligibility and issues	15.1	12.4	12.5
General check-in	27.7	5.8	25.1
Screening/assessment	10.3	2.7	9.3
Address on-the-job issues/problems	8.3	0.2	13.4
Address personal or family issues	7.2	5.1	17.3
Explore specific employment and training options	10.3	2.7	7.3
Discuss career goals and advancement	16.2	9.6	13.8
Assist with reemployment	11.5	7.3	20.6
Discuss issues related to financial incentives or stipends	31.3	23.0	43.7
Schedule/refer for work experience position[b]	NA	NA	NA
Enrollment in government assistance and ongoing eligiblity issues	0.0	9.2	1.1
Assistance with the EITC	0.0	1.2	0.0
Participation/sanction issues	28.6	23.8	8.5
Schedule/refer for screening/assessment	1.2	1.4	2.1
Schedule/refer for job search or other employment services	6.2	2.7	5.1
Schedule/refer for education or training	0.3	3.3	1.6
Schedule/refer for services to address special or personal issues	1.1	2.0	3.7
Provide job leads or referrals[b]	NA	NA	NA
Number of case managers time-studied	9	6	7

SOURCE: MDRC calculations from the ERA time study.

NOTES: NA = not applicable.

[a]Percentages total over 100 percent, since more than one topic could be recorded for each client contact.

[b]This measure was not included in the time-study instrument used in Texas.

The Houston program moved most slowly to get ERA's retention and advancement services off the ground. For much of the study period, this program placed a higher priority on outreach and recruitment of new clients and developing preemployment services; postemployment services were not fully developed until very late in the study. Local administrative issues also made it difficult for this program to implement certain features that the staff felt would have been beneficial — particularly, employer site visits for working individuals and job development staff that would be dedicated to ERA participants.

Chapter 3

The Effects of the Texas ERA Program on Message and Service Receipt

Chapter 2 describes the Employment Retention and Advancement (ERA) programs that were implemented and studied in three Texas sites: Corpus Christi, Fort Worth, and Houston.[1] This chapter provides information about participation in the program and other similar services, focusing on the differences between the experiences of individuals in the ERA group and those in the control group. Examining these differences is central to understanding the outcomes on employment, public assistance, and income that are presented in Chapter 4. As noted previously, control group members were not eligible for ERA services but could receive services through Choices, the state's standard welfare-to-work program for recipients of Temporary Assistance for Needy Families (TANF), as well as through other programs and agencies in their area.

This chapter relies primarily on data from the ERA 12-Month Survey, which was administered to a subset of ERA and control group members in Texas about 12 months after they entered the study. Chapter 1 notes that the Fort Worth program administered the survey to a later cohort of sample members, who were thus more likely to receive the stronger program that developed later in the study period.[2] Across the three sites, a total of 775 sample members responded to the survey. Respondents were asked a series of questions about their contact with case managers and similar staff and about their participation in employment-related activities. This chapter does not discuss receipt of the postemployment stipend. As noted in Chapter 2, program administrative records show that a moderate portion of ERA group members received this benefit, which was not available to control group members and thus represented a key difference in treatment between the two groups.

Key Findings

According to survey respondents, only the ERA programs in Corpus Christi and Fort Worth produced statistically significant increases in the proportion of ERA clients who received help with retention and advancement services. These services included help finding a better job while working, enrolling in life skills classes while working, and career assessment. Despite the

[1]Although the Texas program operated in various cities that are called "sites" in this report, Texas counts as a single ERA site.

[2]The survey sample was selected from adults in single-parent families who spoke either English or Spanish and who were randomly assigned from January through June 2002 in Corpus Christi and Houston and from September through December 2002 in Fort Worth.

program's impacts, the overall level of receipt of retention and advancement services is somewhat lower than expected: Only about 40 percent of working survey respondents from the ERA program reported receiving assistance in this area. This could possibly reflect that — because some individuals did not receive the stipend and more intensive retention and advancement services until they had spent more than a year in the program (see Chapter 2) — this activity was not fully captured by the 12-month survey.

In Corpus Christi and Fort Worth, ERA group members were more likely than control group members to have had contact with a case manager or employment program during the year after entering the program. The differences between the two groups are not large, however; this indicates that control group members in Choices were assigned to a relatively strong welfare-to-work program that included case management services.

Reflecting Corpus Christi's emphasis on employer site visits, staff contacts with ERA group members in that program only were more likely to occur at the workplace than were contacts with control group members, and staff were more likely to talk with an ERA respondent's employer. However, the overall proportion of respondents in the ERA group who reported staff contacts at or with their employer is low. This is not surprising, given that many ERA group members did not reach the stage in the program where they were receiving the stipend and this type of postemployment service, as discussed in Chapter 2. Again, this activity may not be fully captured by the 12-month survey because stipend receipt (and, therefore, employer visits) occurred after more than a year in the program for some individuals.

Overall, participation rates in employment-related services are relatively high in all three sites for both the ERA group and the control group, and there were few other differences in the types of services that each group received. Again, this shows at least in part the relative strength of the Choices program, particularly in terms of preemployment services.

The Intensity and Nature of Contacts Between Clients and Staff

As discussed in Chapter 2, a key element of the Texas ERA program was individualized case management services at both the pre- and the postemployment stage of the program. Staff provided one-on-one assistance to help participants find jobs, arrange support services, and address job-related issues after participants found jobs. A key issue, then, in assessing the strength of the program "treatment," is the intensity and nature of contacts between staff and clients. The ERA 12-Month Survey asked a series of questions intended to capture the nature of contact between respondents and program staff and other staff from employment and social service agencies. Given the nebulous nature of "case management," it was a challenge to design these questions. (See Box 3.1.)

Box 3.1

Measuring Participation in ERA

In order to interpret the results of a random assignment evaluation, it is critical to understand the "dose" of services that each research group receives. In many studies, this is relatively straightforward because the "treatment" is easy to measure (for example, number of hours of training or the dollar value of incentive payments). In contrast, in many of the ERA programs, including Texas's, services are mostly delivered in one-on-one interactions, during which staff advise, coach, or counsel participants. This type of service is inherently difficult to measure. In addition, to accurately measure a program's *impact* on service receipt, it is important to collect data in the same way for both the ERA group and the control group. In practice, this means that survey questions cannot refer to the ERA program in particular but, instead, must ask in general about the kinds of services that ERA provided.

MDRC sought to measure service receipt in three main ways, using the ERA 12-Month Survey. Each approach has both strengths and limitations, and each contributes to the overall analysis:

- First, the survey asked whether respondents participated in "traditional" employment-related services, such as job search workshops and training classes, and how many weeks they participated (see Table 3.3). These services are relatively easy to measure, but they are not the heart of most ERA programs.
- Second, the survey asked how frequently respondents had contact with staff from employment or social service agencies and where these contacts took place (see Table 3.1). These questions are more central to the ERA programs, but it is difficult to determine to which types of staff respondents were referring to. For example, contact with a worker who determines food stamps eligibility is likely to be quite different from contact with an ERA case manager. Moreover, it may be difficult for respondents to recall the number of such contacts over a one-year period.
- Third, the survey asked whether respondents received assistance in a variety of specific areas, some of which — such as "finding a better job while working" — are central to ERA (see Table 3.2). These questions are fairly straightforward, but they do not provide any information about the *amount* of service that was received in each area.

To estimate contact between sample members (both ERA and control group members) and program staff or other organizations or agencies that individuals may work with to find or keep jobs, the analysis combined two survey questions into a single measure. One question asked whether the respondent had had contact with "programs or organizations that help people find and keep jobs." The other question was introduced with a sentence that referred to "agency staff [who] help people find and keep jobs," but it asked whether the respondent had had "contact with a case

manager or a staff person from an employment, welfare, or other agency." In this chapter, the combined measure is referred to as "contacts with a case manager or employment program."

Table 3.1 presents the program's impacts on contacts with staff during the year following random assignment. Within each site's set of three columns, the first column presents outcomes for the ERA group; the second column presents outcomes for the control group; and the third column presents the difference, or impact, between the two groups. Because random assignment ensures that there are no systematic differences between the ERA and control groups when they enter the study, any differences in the groups' outcomes that emerge over time can be attributed to the program intervention. Tests of statistical significance were performed on all impacts presented in this report, to determine whether an impact can confidently be attributed to the program. An impact is considered statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated difference could have stemmed from a program that had no real effect. Statistical significance is also presented at the 5 percent and the 1 percent levels. Except where otherwise noted, only statistically significant impacts are discussed in the text.

As Table 3.1 shows, in Corpus Christi and Fort Worth (but not in Houston), the ERA program resulted in significantly more contacts with case managers after enrollment in the study. In these two sites, over 60 percent of the ERA group reported that they had contact with a case manager or employment program since they entered the study, while about 45 percent of the control group did. Although this difference, or impact, of 15.0 percentage points in Corpus Christi and 17.4 percentage points in Fort Worth is statistically significant, it is relatively small. Moreover, the overall level of contacts with case managers is relatively low.

These results also show that the control group was assigned to a relatively strong welfare-to-work program, Choices, which also included case management services. In Houston, as in the other sites, roughly 60 percent of ERA sample members had contact with ERA staff; however, unlike in the other sites, a similar proportion of control group members in Houston did so as well. There was no impact on the level of contact with program staff in Houston, which appears to reflect particularly strong case management in that site's Choices program.

It is worth noting that the survey likely undercounted contacts with program staff for both research groups. The survey was administered a year after random assignment, and if sample members had contact with ERA or another program early in that year or if the contact was not very intensive, respondents might not have remembered it. But since the survey captured contact that the respondents remembered, it is not unreasonable to assume that it captured most of the contact that mattered to them and was likely to affect their outcomes.

Table 3.1 presents some details about sample members' contact with program staff. Fort Worth was the only site to have a statistically significant impact on the average number of contacts with program staff, whether in person or by phone. ERA sample members in Corpus

The Employment Retention and Advancement Project

Table 3.1

Year 1 Impacts on Contacts with Program Staff

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Any contacts with staff/case manager since random assignment[a] (%)	61.5	46.5	15.0 **	62.6	45.2	17.4 **	59.6	58.2	1.4
Average number of contacts with staff/case manager	6.6	6.3	0.3	14.3	4.9	9.4 ***	9.9	5.9	4.0 *
In person	3.3	3.2	0.1	6.6	2.2	4.4 ***	3.7	3.0	0.7
By telephone	3.4	3.1	0.2	7.8	2.8	5.0 **	6.2	2.9	3.3 *
Talked with staff/case manager in past 4 weeks (%)	27.7	16.1	11.6 **	29.7	9.0	20.7 ***	20.8	20.3	0.5
Ever met with staff/case manager (%)	50.1	37.2	12.8 **	53.8	31.8	22.0 ***	44.3	46.6	-2.3
At home	3.8	0.5	3.3 *	3.3	1.0	2.3	2.2	1.1	1.1
At workplace	8.2	1.6	6.7 **	2.8	1.5	1.4	2.4	1.7	0.7
At staff/case manager's office	49.5	35.7	13.9 **	50.9	31.5	19.4 ***	42.7	45.6	-2.9
At school/training program	5.0	3.3	1.6	17.5	8.3	9.2 *	7.4	9.4	-2.0
At other places	1.3	2.8	-1.5	4.1	2.3	1.9	5.0	7.8	-2.9
Staff/case manager talked with respondent's employer (%)									
Never	81.0	95.9	-14.9 ***	90.0	98.2	-8.2 **	92.1	91.7	0.4
Once or twice	11.2	0.8	10.3 ***	1.8	2.4	-0.6	4.7	6.8	-2.1
More than twice	6.9	0.9	6.0 **	6.7	-1.2	7.9 ***	1.1	1.6	-0.6
Don't know	1.0	2.4	-1.4	1.5	0.7	0.8	2.2	-0.2	2.3 *

(continued)

Table 3.1 (continued)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Among those employed since random assignment: [b]									
Staff/case manager talked with respondent's employer (%)									
Never	*75.8*	*93.6*	*-17.9*	*85.8*	*97.8*	*-12.0*	*88.3*	*87.1*	*1.2*
Once or twice	*14.6*	*1.2*	*13.4*	*3.0*	*2.8*	*0.2*	*6.5*	*10.8*	*-4.3*
More than twice	*8.5*	*1.7*	*6.8*	*9.0*	*-1.3*	*10.3*	*1.7*	*2.4*	*-0.7*
Don't know	*1.2*	*3.5*	*-2.3*	*2.3*	*0.7*	*1.6*	*3.5*	*-0.4*	*3.9*
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

[a] This measure includes respondents who said "yes" to D1 or D3. However, the remaining questions regarding number and location of contacts were asked only of respondents who said "yes" to D3. Therefore, there are some respondents who reported contact but were not asked about the number and location of contacts. (Question D1: "Have you had any experiences with programs or organizations that help people find or keep jobs since your random assignment date?" Question D3: "Since your random assignment date, have you had any contact, in person or by phone, with a case manager or a staff person from an employment, welfare or other agency?")

[b] Employment is calculated using the ERA 12-Month Survey and includes those who reported employment since random assignment. It includes formal employment and "odd jobs."

Christi and Fort Worth were also more likely than their control group counterparts to have spoken with a case manager in the four weeks before the survey.

In Corpus Christi and Fort Worth, the largest increase was in the number of contacts that occurred at the case manager's office. Notably, however — reflecting the emphasis on employer visits in Corpus Christi — staff contacts with ERA group members were more likely to occur at the workplace than were contacts with control group members, and ERA staff were more likely to talk with an ERA respondent's employer "once or twice" or more than twice. Corpus Christi also produced a small increase in the proportion of contacts that took place at the participant's home. In Fort Worth, while there was not an increase in reported contacts at the workplace, there was an increase in the proportion of respondents who said that ERA staff were also more likely to talk with their employer "more than two times." There were no impacts on these measures in Houston.

Overall, the proportion of respondents in the ERA group who reported staff contacts at or with their employer is low. This is not surprising, given that many ERA group members did not reach the stage in the program where they were receiving the stipend and this type of postemployment service, as discussed in Chapter 2. In addition, this activity may not be fully captured by the 12-month survey because stipend receipt (and, therefore, employer visits) occurred after more than a year in the program for some individuals.

Impacts on Service Receipt

Table 3.2 presents information on areas in which individuals in the ERA and control groups received help during the year after random assignment. As shown at the top of the table's second page, the ERA programs in Corpus Christi and Fort Worth produced increases in the proportion of ERA clients who received help with retention and advancement services, according to survey respondents. These impacts were 14.5 percentage points in Corpus Christi and 18.9 percentage points in Fort Worth. These services included help finding a better job while working, enrolling in life skills classes while working, and career assessment. No statistically significant differences in retention and advancement services were found overall in Houston, although there was a statistically significant increase in participation in activities while working. (Box 3.2 gives more information about how to read the tables in this report.)

Despite the program's impacts, the overall level of receipt of retention and advancement services is somewhat lower than expected: Only about 40 percent of working survey respondents from the ERA program reported receiving assistance in this area. This could possibly reflect that — because some individuals did not receive the stipend and more intensive retention and advancement services until they had spent more than a year in the program (see Chapter 2) — this activity was not fully captured by the 12-month survey.

The Employment Retention and Advancement Project

Table 3.2

Impacts on Areas in Which Respondent Received Help

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome (%)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Received help with support services	44.5	32.4	12.1 **	54.2	43.9	10.3	43.2	41.0	2.3
Finding or paying for child care	39.7	30.9	8.7	44.7	34.2	10.5	38.9	36.5	2.4
Finding or paying for transportation	18.5	13.4	5.1	30.1	25.3	4.8	25.9	13.7	12.2 ***
Received help with basic needs	39.3	45.4	-6.1	40.1	49.0	-8.9	43.1	51.2	-8.1
Housing problems	8.1	11.8	-3.6	10.9	17.7	-6.9	13.0	11.2	1.7
Access to medical treatment	33.7	34.5	-0.8	33.2	39.1	-5.9	36.0	46.3	-10.3 *
Financial emergency	7.0	8.2	-1.2	8.2	9.9	-1.7	12.7	8.8	3.9
Received help with public benefits	75.3	71.0	4.3	65.5	71.6	-6.0	57.9	70.8	-12.9 **
Getting Medicaid	68.7	67.2	1.6	60.6	64.8	-4.3	55.2	66.9	-11.7 **
Getting food stamps	69.6	59.6	10.0	57.2	60.9	-3.7	51.8	63.5	-11.7 **
Received help with job preparation	42.7	40.1	2.6	51.6	43.3	8.4	42.2	40.7	1.5
Enrolling in job readiness or training	27.7	18.8	8.9 *	27.8	22.3	5.5	32.9	29.7	3.3
Looking for a job	35.2	28.4	6.8	42.5	36.3	6.2	34.8	36.6	-1.8
Finding clothes, tools, or supplies for work	25.3	20.4	4.9	21.6	17.9	3.8	15.1	13.9	1.2

(continued)

Table 3.2 (continued)

Outcome (%)	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Received help with retention/ advancement	28.5	14.0	14.5 ***	30.4	11.5	18.9 ***	24.5	17.9	6.6
Finding a better job while working	13.6	3.9	9.7 ***	13.2	3.0	10.3 **	9.5	6.0	3.5
Other activities while working[a]	12.1	2.0	10.1 ***	13.5	2.7	10.8 **	14.6	3.4	11.2 ***
Career assessment	17.9	7.2	10.7 ***	20.5	6.4	14.2 ***	12.8	10.8	2.0
Dealing with problems on the job	8.0	1.8	6.2 **	6.1	1.5	4.6	11.9	6.3	5.6
Addressing a personal problem that makes it hard to keep a job	8.1	5.1	3.0	5.6	3.0	2.6	7.8	7.0	0.9
Among those employed since random assignment:[b]									
Received help with retention/ advancement	*36.8*	*19.9*	*16.9*	*42.5*	*15.2*	*27.3*	*37.2*	*27.5*	*9.7*
Finding a better job while working	*17.8*	*5.4*	*12.4*	*18.7*	*3.7*	*15.0*	*14.9*	*8.8*	*6.1*
Other activities while working[a]	*16.3*	*2.3*	*14.0*	*18.4*	*3.9*	*14.5*	*22.5*	*5.5*	*17.0*
Career assessment	*23.0*	*10.5*	*12.5*	*27.9*	*9.2*	*18.7*	*19.3*	*16.6*	*2.7*
Dealing with problems on the job	*11.0*	*2.0*	*8.9*	*7.8*	*2.6*	*5.2*	*17.3*	*10.5*	*6.7*
Addressing a personal problem that makes it hard to keep a job	*10.3*	*7.4*	*2.9*	*7.2*	*4.5*	*2.8*	*11.3*	*11.3*	*0.0*
Received help with getting a stipend[c]	*19.1*	*5.0*	*14.1*	*26.4*	*0.8*	*25.6*	*18.4*	*3.4*	*14.9*
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

[a]This measure includes other activities such as life skills and child development classes.

[b]Employment is calculated using the ERA 12-Month Survey and includes those who reported employment since random assignment. It includes formal employment and "odd jobs."

[c]This was measured only in the Texas sites.

Box 3.2

How to Read the Tables in This Report

Most tables in this report use a similar format, illustrated below. The top panel shows a series of participation outcomes for the ERA group and the control group in Houston. For example, the table shows that about 80 (80.2) percent of the ERA group members and about 69 (68.5) percent of the control group members participated in a job search activity.

Because individuals were assigned randomly either to the ERA program or to the control group, the effects of the program can be estimated by the difference in outcomes between the two groups. The "Difference" column in the table shows the differences between the two research groups' participation rates — that is, the program's *impacts* on participation. For example, the impact on participation in a job search activity can be calculated by subtracting 68.5 from 80.2, yielding 11.6.

Differences marked with asterisks are "statistically significant," meaning that it is quite unlikely that the differences arose by chance. The number of asterisks indicates whether the impact is statistically significant at the 1 percent, 5 percent, or 10 percent level (the lower the level, the less likely that the impact is due to chance). For example, as shown below, the ERA program had a statically significant impact of 11.6 percentage points at the 5 percent level on participation in a job search activity. (One asterisk corresponds to the 10 percent level; two asterisks, the 5 percent level; and three asterisks, the 1 percent level.)

The bottom panel shows the participation outcomes among those who participated in each activity in the two research groups. Measures shown in italics are considered "nonexperimental" because they include only a subset of the full report sample. Because participants in the ERA group may have different characteristics than participants in the control group, differences in these outcomes may not be attributable to the ERA program. Statistical significance tests are not conducted for these measures.

Impacts on Participation in Job Search, Education, and Training Activities

	Houston			
Outcome (%)	ERA Group	Control Group	Difference (Impact)	
Participated in a job search activity	80.2	68.5	11.6	**
Group job search/job club	60.8	50.9	9.8	*
Individual job search	68.1	59.1	8.9	
Among those who participated in each type of activity:				
Average number of weeks participating in				
Job search activities	*8.8*	*7.9*	*0.8*	
Education/training activities	*17.3*	*12.1*	*5.2*	
Unpaid work/subsidized employment	*19.2*	*13.2*	*6.1*	

Overall, Table 3.2 also confirms that the major treatment difference between ERA and Choices appears to have occurred at the postemployment stage. There were few differences for most activities that took place primarily during the preemployment stage — particularly, help with job preparation or job search. Again in part showing the relative strength of the Choices program, ERA participants generally did not receive more assistance than control group members with such support services as child care and transportation (except in Corpus Christi) or more help with such basic needs as housing and public benefits.

Table 3.3 shows the percentages of the ERA and control group members who participated in various employment-related activities during the year after they entered the study. Participation rates in employment-related services were relatively high in all sites for both the ERA group and the control group. For example, the proportion of the control group who participated in some type of services ranged from 68 percent in Corpus Christi to 78 percent in Houston. As the table indicates, only the ERA program in Fort Worth produced a statistically significant increase (of 12 percentage points) in the overall participation rate in employment and education activities.

As Table 3.3 shows, the ERA programs produced some increases in participation levels in certain types of employment and education services — above and beyond the control group — although there was variation across the sites. In Fort Worth and Houston, there were increases in the use of group job search activities. As discussed in Chapter 2, group job search activities were stressed somewhat more strongly in ERA than in Choices, with most sites designing a job readiness class specifically for ERA participants. In Corpus Christi and Houston, there were increases in the use of employment and education activities while working. This could reflect either the requirement that individuals participate in an employment-related activity each month in order to receive the stipend or the option to combine work and school while receiving the stipend.

Table 3.4 shows that, for the most part, the ERA group in all three sites was no more likely than the control group to report receiving mental health, domestic violence, or substance abuse services. The one exception is that there was an impact of 4 percentage points on the receipt of domestic violence services in Houston, where a staff person from a domestic violence organization was colocated at the ERA program.

The Employment Retention and Advancement Project

Table 3.3

Impacts on Participation in Job Search, Education, Training, and Other Activities

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever participated in any activity[a] (%)	73.8	67.7	6.1	89.1	77.1	12.0 **	83.5	78.0	5.5
Participated in any employment-related activity[b] (%)	62.0	58.2	3.8	78.6	73.7	4.9	80.6	70.1	10.5 **
Participated in a job search activity	62.0	58.2	3.8	78.0	72.2	5.8	80.2	68.5	11.6 **
Group job search/job club	48.5	42.7	5.8	63.4	48.6	14.8 *	60.8	50.9	9.8 *
Individual job search	49.8	42.9	6.9	67.7	66.4	1.3	68.1	59.1	8.9
Participated in an education/training activity[c] (%)	30.3	23.0	7.2	38.6	29.7	8.9	36.0	34.1	1.9
ABE/GED	11.6	8.5	3.0	21.1	16.2	4.9	19.6	20.8	-1.1
ESL	1.7	1.1	0.6	1.6	3.7	-2.2	1.0	1.7	-0.6
College courses	14.8	12.2	2.6	11.5	10.9	0.6	12.9	10.0	3.0
Vocational training	5.3	4.4	0.9	11.7	6.5	5.2	8.3	9.2	-0.9
Participated in unpaid work/subsidized employment (%)	3.9	1.7	2.3	13.8	12.8	1.0	6.9	10.7	-3.8
Ever participated in an employment or education activity while working (%)	34.2	24.7	9.5 *	27.1	20.9	6.2	34.3	23.5	10.8 **
Average number of weeks participating in									
Job search activities	2.5	2.2	0.3	8.9	10.4	-1.4	7.0	5.4	1.6
Education/training activities	5.6	5.3	0.3	7.2	7.0	0.2	6.2	4.1	2.1
Unpaid work/subsidized employment	0.3	0.5	-0.1	2.7	1.6	1.2	1.3	1.4	-0.1

(continued)

Table 3.3 (continued)

Outcome	Corpus Christi			Fort Worth			Houston		
	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Among those who participated in each type of activity									
Average number of weeks participating in									
Job search activities	*4.1*	*3.8*	*0.3*	*11.4*	*14.4*	*-2.9*	*8.8*	*7.9*	*0.8*
Education/training activities	*18.6*	*23.0*	*-4.4*	*18.7*	*23.7*	*-5.0*	*17.3*	*12.1*	*5.2*
Unpaid work/subsidized employment	*8.1*	*27.4*	*-19.3*	*19.7*	*12.1*	*7.6*	*19.2*	*13.2*	*6.1*
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

[a]"Any activity" includes employment-related activities, education/training activities, life skills, and other types of activities.

[b] Employment-related activities include job search activities, unpaid jobs, and on-the-job training.

[c]Education/training activities include adult basic education (ABE), General Educational Development (GED), and English as a Second Language ("ESL") classes.

The Employment Retention and Advancement Project

Table 3.4

Impacts on Receipt of Mental Health, Domestic Violence, and Substance Abuse Services

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome (%)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Received mental health services	15.5	14.2	1.3	16.6	15.4	1.2	10.1	9.4	0.8
Respondent	7.3	5.9	1.4	12.5	12.0	0.5	5.0	5.1	-0.1
Family member	6.6	5.2	1.4	1.7	1.5	0.3	3.5	3.3	0.2
Both respondent and family members	1.7	3.1	-1.5	2.4	1.9	0.5	1.0	1.0	0.1
Received domestic violence services	4.5	5.1	-0.6	6.5	3.2	3.3	6.0	2.0	4.0 *
Respondent	2.2	1.3	1.0	3.3	3.1	0.2	4.8	1.3	3.5 *
Family member	0.8	0.0	0.8	1.2	-0.1	1.3	0.0	0.0	0.0
Both respondent and family members	1.6	3.9	-2.3	2.0	0.2	1.8	1.2	0.8	0.4
Received substance abuse services	5.3	3.7	1.6	2.6	2.7	-0.1	0.6	0.8	-0.2
Respondent	4.4	1.9	2.6	2.5	1.8	0.7	0.0	0.0	0.0
Family member	0.9	1.9	-1.0	0.1	0.9	-0.8	0.0	0.7	-0.7
Both respondent and family members	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.1	0.4
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

Chapter 4

The Effects of the Texas ERA Program on Employment, Public Assistance, and Income

This chapter uses administrative records to examine whether the Texas Employment Retention and Advancement (ERA) program resulted in better job-finding, employment retention, and advancement outcomes than Choices, the state's standard welfare-to-work program for recipients of Temporary Assistance for Needy Families (TANF). Administrative records are also used to determine whether the additional services and incentives offered by ERA relative to Choices have had any effect on public assistance receipt or total income. As noted previously, control group members were not eligible for ERA services but could receive services through Choices and through other programs and agencies in their area.

Using data from the ERA 12-Month Survey, this chapter examines whether ERA increased the percentage of sample members who found jobs that had better characteristics, such as higher wages and more fringe benefits. Findings are presented for the full report sample, for an early cohort, and for subgroups. As in Chapter 3, all the findings are presented separately by site: Corpus Christi, Fort Worth, and Houston.[1] For the full report sample, two years of follow-up are available for outcomes created from unemployment insurance (UI) wage data, and six quarters of follow-up are available on measures of TANF, food stamp receipt, and total measured income.

Key Findings

- The Texas ERA program did not produce consistent or large effects on employment outcomes during the first two years of the study. During the two-year follow-up period, the ERA programs in Corpus Christi and Fort Worth led to increases above the control group's average on some measures of employment and employment retention. However, differences on most outcomes are small and not statistically significant. In Houston, the program had no effect on employment and earnings.

- ERA group members in Corpus Christi received more in combined income from earnings, public assistance, and the monthly stipend (discussed below) than control group members received from earnings and public assistance alone. There were no effects on combined income in Fort Worth or Houston.

[1]Although the Texas program operated in various cities that are called "sites" in this report, Texas counts as a single ERA site.

- In Corpus Christi and Fort Worth, the two-year impacts were concentrated among sample members with recent employment history prior to random assignment — people who were more likely to work after random assignment and (among ERA group members) more likely to receive the stipend. ERA did not raise employment or earnings above control group levels for sample members with no recent employment.

The Expected Impacts of the ERA Program

A program like ERA can increase job-finding, employment retention, and advancement in a number of ways. The ERA stipend, which was available after four months of employment for those working a minimum of 30 hours per week,[2] would be expected to lead to improved retention and advancement outcomes and to higher total income. The $200 per month stipend was a source of income that was available only to the ERA group, and it could increase total income as much as $2,400 for a one-year period. According to the Texas Workforce Commission (TWC), the goal of the stipend was to provide a work support that would enable welfare leavers to resolve problems that might prevent them from maintaining employment, such as difficulty covering child care, transportation, and other job-related expenses. Thus, if this goal were achieved, ERA group members should have better employment retention outcomes.[3] Also, by "making work pay," the stipend should provide an incentive for TANF recipients to work. The stipend would motivate an individual to look harder for a job or, even, to accept a job that one might otherwise forgo. That said, the maximum welfare grant in Texas was rather low,[4] so the incentive to work in Texas (regardless of the ERA stipend) was already stronger than in higher-grant states.

The 30-hour minimum work requirement might encourage some ERA group members to upgrade from part-time to full-time employment if the stipend were marketed early and often prior to employment.[5]

ERA's preemployment services might not generate impacts because, as discussed in Chapter 2, the ERA group is being compared with a control group that was engaged in a well-established welfare-to-work program (Choices) that strengthened throughout the study period.

---

[2]The stipend was also available for participants who were employed 15 hours per week in combination with an education and training activity for an additional 15 hours per week.

[3]Texas Council on Workforce and Economic Competitiveness (2000).

[4]The maximum welfare grant in Texas in 2003 was $201 for a family of three.

[5]Because of the 30-hour eligibility rule, however, there is the possibility of what economists call an "income effect," whereby stipends might encourage some individuals who are already working full time to cut back from, for example, a 40-hour workweek to a 30-hour workweek. Also, the ability to receive the stipend while working only 15 hours a week and going to school the other 15 hours might encourage some people to work less.

Thus, the impact analysis measures the value added of ERA over a substantial and well-developed system of services and supports with a strong employment focus. While the participation analysis found important differences between the ERA and control groups, these participation differences are not large compared with similar programs analyzed in the past[6] — which raises the possibility of small effects on employment, retention, and advancement. However, the fact that ERA is being compared with a strong control group program should be helpful for states that already have strong welfare-to-work programs and that are deciding whether it is worthwhile to invest in Texas's mix of postemployment services and a stipend.

ERA's postemployment services were designed to help former welfare recipients stay employed and increase their wages and benefits over time. Such postemployment services as employer site visits and monitoring and supportive services should promote improved retention and advancement outcomes. These improvements would likely translate into a reduction in welfare use and recidivism. Retention would also be expected to be promoted through more frequent contact with ERA staff (and with the attendant work supports, problem solving, and re-employment services). Increases in retention might be expected to emerge later in the first year. Impacts on advancement, however, often require promotions or job-changing, which takes time. Impacts on advancement may not be detected until Year 2 or later.

As discussed in Chapter 1, random assignment in Texas took place at the time of TANF application or recertification. Thus, the study sample includes individuals whose applications were denied and who never received TANF, the stipend, or ERA employment services — which may weaken the effects of the program. Also, to a lesser extent, the inclusion of exempt individuals might weaken the impacts, since their participation in ERA was voluntary.[7]

Data Sources and Samples

Unemployment insurance (UI) wage data, public assistance payment records, and ERA program tracking data are the primary data sources for creating outcomes of employment, earnings, TANF, food stamps, and stipend receipt and for estimating impacts on these outcomes.

---

[6]The differences between ERA group members and control group members in participation in job search and receipt of case managers' help in obtaining work supports or advancing to a better job are modest (below 20 percentage points)

[7]Some individuals who had a child younger than age 1, who were ill or disabled, or who were caring for a disabled family member were exempt from participation in the program and did not face sanctions for non-compliance. A separate analysis, presented in Appendix Table E.13, found that the impacts were not greatly diluted by including exempt sample members. Further analysis found that the employment impact estimates are only slightly stronger when only those whose welfare applications were accepted are included in the sample. On a related point, the subgroup analysis presented at the end this chapter provides a rough proxy for what the impacts may have looked like had random assignment been conducted at the postemployment phase.

Quarterly earnings records are available for three years prior to random assignment and two years after random assignment for a total of 4,288 sample members (2,137 in the ERA group and 2,151 in the control group), who were randomly assigned from October 2000 through June 2002.[8] This represents three-quarters of the eventual sample that will be analyzed in Texas.[9] For this same cohort, monthly public assistance records are available for two years prior to random assignment and only six quarters after random assignment.[10] In this report, "Year 1" refers to the first through fourth quarters following the quarter of random assignment. "Quarter 1" refers to the quarter of random assignment. Because Quarter 1 contains some earnings, TANF payments, and food stamp payments from the months and weeks immediately preceding random assignment, it is excluded from the summary measures of the first year of follow-up.[11]

The UI wage data are a reliable source for estimating employment and earning impacts because UI wage records are stored in computerized systems shortly after the completion of a quarter and most employers are required to submit them. UI records do, however, miss wages not reported to the UI system in Texas,[12] and they do not measure job characteristics. For these reasons, data from the ERA 12-Month Survey are also used. However, UI wage records are reliable for jobs that are covered by the UI system.

For the ERA 12-Month Survey, MDRC selected a random sample of adults in single-parent families who spoke either English or Spanish and who were randomly assigned from January through June 2002 in Corpus Christi and Houston and from September through December 2002 in Fort Worth. As noted in Chapter 1, the survey was administered to 775 sample members across the three sites, approximately 12 months following random assignment, and it achieved response rates of 82 percent in Corpus Christi, 75 percent in Fort Worth, and 80 percent in Houston. (See Appendix F for further details on the survey response analysis.) The survey also has limitations. Individuals may recall incorrectly or may misreport some of the outcomes. Because the survey sample is smaller than the administrative records sample, results from the survey are less reliable. It is therefore more difficult to detect statistically significant impacts among the survey samples. Furthermore, because the survey samples were drawn from only six months of the random assignment period in Corpus Christi and Houston — and from only three months in Fort

[8]Because there is a lag in employers' reporting to their state UI programs, earnings data obtained from Texas in November 2004 (and used for this analysis) cover the period through Quarter 2 of 2004. In order to analyze results over a two-year follow-up period, the sample had to be limited to those who were randomly assigned through June 2002. Welfare and food stamp data cover the period from October 1998 to January 2004. Stipend data cover the period from October 2000 to August 2004.

[9]Seven-quarter impacts for the full research sample are shown in Appendix Table E.6.

[10]Two and a half years of stipend receipt data are also available for this cohort.

[11]This is true because UI wage information is available only in calendar quarters. For example, if someone was randomly assigned in March 2002, the quarter of random assignment is Quarter 1 of 2002, which contains earnings for January, February, and March.

[12]These include "off the books," federal, out-of-state, and military jobs and self-employment.

Worth — the survey findings may not be generalizable to the entire report sample. In particular, the Fort Worth survey sample and report sample do not overlap at all.

Impacts for the Full Report Sample

Table 4.1 summarizes the impacts of ERA in each of the three sites in which the program was evaluated.[13] Impacts are presented for two years of follow-up on measures of employment and earnings that were created from UI wage records. The set of three columns at the left of the table shows the outcomes and impacts in Corpus Christi. The first column shows the average value for each outcome for the ERA group, and the second column shows the average value for each outcome for the control group. The control group outcomes represent the benchmarks against which the ERA program is being compared. Because of random assignment, the control group outcomes represent what would have been expected for ERA group members if only Choices and not ERA had been implemented. The third column in the set shows the effects, or impacts, of the ERA program in Corpus Christi. Impacts are calculated as the difference in average outcomes between the ERA group and the control group.[14] The presence or absence of "stars" (asterisks) in the impact column indicates whether or not a difference is statistically significant.[15] Since random assignment ensures that there are no systematic differences

[13]Most of the impact analysis was conducted separately by site. This decision was made during the early implementation analysis, when it became clear that the implementation of ERA differed by site. Even though the impacts ultimately did not differ very much by site, it was decided that the analysis should be conducted based on prior expectations rather than on the pattern of impacts. Pooled impacts for the key tables are presented in Appendix E. Appendix Table E.10 shows the pooled impacts on earnings and employment for Corpus Christi and Fort Worth (the two sites that implemented the stronger postemployment programs); Appendix Table E.11 shows these same impacts for all three sites combined. The pooled impacts tables show that some effects on employment and employment retention, although numerically small, are statistically significant in the larger pooled samples.

[14]The impacts are estimated using linear regression, which controls for a range of background characteristics, including gender, race/ethnicity, age, education, number of children, child age, prior earnings and employment, and prior TANF and food stamp receipt. These regression-adjusted impact estimates control for the very small residual measured differences in sample members' pre-random assignment characteristics that were not eliminated by random assignment. This helps to improve the precision of the impact estimates. For example, in Corpus Christi, the two-year adjusted impact on earnings was $512. The unadjusted impact on earnings (Appendix Table E.15) was $219. In both cases, the differences are not statistically significant. In this case, the differences arise, in part, because ERA group members entered the study with earnings that were approximately $315 lower than control group members in the year prior to random assignment. The regression adjustment accounts for this, and in doing so, improves the precision of the impact estimate.

[15]Statistical significance is used to assess the likelihood that an ineffective program would have generated effects of a given size. The impact analysis for ERA utilized two-tailed T-tests to measure statistical significance. In the results of this report, an effect is said to be statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated effect could have stemmed from a program that had no real effect. Statistical significance is also presented at the 5 percent and the 1 percent levels. Unless otherwise noted, all impacts — or "increases" or "decreases" — are statistically significant.

The Employment Retention and Advancement Project

Table 4.1

Years 1-2, Impacts on UI-Covered Employment and Earnings

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Years 1-2									
Ever employed (%)	82.4	84.7	-2.3	80.7	76.4	4.4 *	72.5	72.1	0.5
Average quarterly employment (%)	53.3	50.5	2.8	48.5	46.5	2.0	42.6	42.1	0.5
Employed 4 consecutive quarters (%)	48.9	45.0	3.9	44.6	41.5	3.1	37.2	36.3	0.9
Earnings ($)	8,599	8,088	512	9,802	9,206	595	8,269	8,299	-29
Earned over $20,000 (%)	13.8	11.6	2.2	17.6	14.6	3.0	14.8	14.6	0.3
Year 1									
Ever employed (%)	73.5	74.0	-0.5	69.1	67.3	1.8	64.1	63.6	0.5
Average quarterly employment (%)	53.3	49.8	3.5 *	48.8	47.3	1.5	42.5	43.4	-0.8
Employed 4 consecutive quarters (%)	30.7	26.4	4.3 *	26.3	25.6	0.7	21.4	22.8	-1.4
Earnings ($)	3,940	3,593	347	4,443	4,283	160	3,790	3,863	-73
Earned over $10,000 (%)	11.0	11.1	-0.1	16.5	14.8	1.6	12.6	13.6	-1.0

(continued)

Table 4.1 (continued)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Year 2									
Ever employed (%)	71.1	70.3	0.8	68.8	62.7	6.1 **	59.5	57.7	1.8
Average quarterly employment (%)	53.3	51.1	2.1	48.2	45.8	2.4	42.8	40.9	1.9
Employed 4 consecutive quarters (%)	33.8	33.0	0.9	27.3	27.9	-0.6	25.4	24.3	1.1
Earnings ($)	4,659	4,495	164	5,359	4,923	435	4,480	4,436	44
Earned over $10,000 (%)	17.5	16.6	0.9	22.0	19.6	2.3	17.1	17.0	0.2
Last quarter of Year 2									
Ever employed (%)	54.2	49.1	5.1 *	48.6	44.4	4.2	40.1	41.5	-1.4
Total earnings ($)	1,210	1,146	64	1,452	1,212	240 **	1,088	1,175	-88
Earned $2,500 or more (%)	20.9	19.6	1.3	24.4	20.2	4.2 *	18.0	20.7	-2.7
Earned between $500 and $2,499 (%)	23.0	22.8	0.1	16.5	16.8	-0.3	16.0	14.7	1.3
Earned between $1-$499 (%)	10.3	6.7	3.7 **	7.7	7.4	0.3	6.1	6.1	-0.1
Sample size (total = 4,288)	654	652		578	586		905	913	

SOURCES: MDRC calculations from UI records from the State of Texas.

NOTES: See Appendix B.

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

between the ERA and control groups, other than exposure to the program being studied, any statistically significant differences in outcomes after random assignment can be attributed to the ERA program. The sets of columns in the middle and at the right of Table 4.1 follow the same format but show the impacts of ERA in Fort Worth and Houston, respectively.

Benchmark Employment, Retention, and Earnings Outcomes

According to data from the baseline information form, nearly 94 percent of study participants were unemployed at the time of random assignment. Despite this high percentage, most control group members in Texas worked at some point after random assignment. As shown in Table 4.1, in Corpus Christi, nearly 85 percent of control group members worked in a UI-covered job sometime in the first two years after random assignment. Control group members were somewhat less likely to work in Fort Worth (76 percent) and Houston (72 percent).

One of the main goals of ERA was to promote employment retention. A review of employment retention outcomes for the control group provides compelling evidence of the need for an intervention like ERA. While *some* employment was common, few control group members were stably employed. Across the sites, between 42 percent and 50 percent of the control group worked in UI-covered jobs in any given quarter.[16] Among control group members, 20 percent who were employed in Quarter 2 did not work in Quarter 3 (not shown). Only about 35 percent of control group members who were working in Quarter 2 worked in each of the quarters through the last quarter of Year 2. Though many Texas sample members eventually found jobs, overall employment rates in Texas were no higher in Year 2 than Year 1.

Earnings among control group members were low for all three sites and throughout the follow-up period. This is partly attributable to low employment rates. (Table 4.1 and all tables in the report include zeroes for those who were not working, unless otherwise specified.) However, in any given quarter, employed control group members in Corpus Christi earned an average of only $2,000 (not shown).

Two-Year Impacts on Employment, Employment Retention, and Earnings

The first section of Table 4.1 shows the impacts over the first two years after random assignment. This table, like most of the tables in this report, shows little evidence that ERA made a difference in the employment and earnings outcomes of sample members.

The ERA program in Corpus Christi did not produce any statistically significant effects on employment, employment retention, or earnings over the two-year follow-up period. ERA

[16]The average quarterly employment measure was computed by adding up the number of quarters employed and dividing by the total number of quarters potentially employed.

had no effect on the percentage ever employed. The program did not increase the percentage of ERA group members who were employed above the control group's benchmark of 84.7 percent. The lack of an effect on employment is likely attributable to the fact that, as implemented, the ERA program was similar to the Choices program during the preemployment phase. This shows that the stipend did not induce individuals to work who would not have worked anyway. During Years 1 and 2, the ERA group in Corpus Christi did not earn significantly more than the control group's average of $8,088.

Table 4.1 shows that, during Year 1, ERA produced increases in measures of employment retention in Corpus Christi. ERA increased average quarterly employment by nearly 4 percentage points above the control group's average of approximately 50 percent. ERA increased the proportion of program group members who were employed in four consecutive quarters — a key measure of retention — by about 4 percentage points above the control group's average of 26 percent. Despite the increases in employment stability, the program did not increase earnings. Given the variability in earnings, it is occasionally the case that effects on employment rates are statistically significant while effects on earnings are not.[17]

In Year 2, the impacts on measures of employment retention were no longer statistically significant. This contradicts the expectation that the impacts would be stronger later in the follow-up period and that they would vary based on stipend receipt. In Corpus Christi, only about 16 percent of the ERA group received a stipend in Year 1 (not shown). In Year 2, approximately 24 percent of the ERA group received a stipend, but the impacts on employment retention measures were no longer significant.

The impacts on quarterly employment and earnings are shown in Appendix Table E.5. In Corpus Christi, there are several quarters in which employment differences, although positive, are not statistically significant. Table 4.1 shows, however, that impacts on quarterly employment emerged late in Year 2 in Corpus Christi. In Quarter 9, ERA increased the percentage employed in Corpus Christi by 5.1 percentage points; however, much of this effect on employment was in jobs with very low earnings (less than $500 per quarter). These low earnings may be attributable to part-time jobs, low wages, or short-term employment.[18] As a result, ERA group members did not earn more, on average, than control group members. It is difficult to

[17]The impact on total earnings in Year 1 was close to being statistically significant (p-value = 0.154). There is one year of follow-up data available for the full sample (including individuals randomly assigned after June 2002). The first-year impact on total earnings is slightly larger among this sample (approximately $400) and is statistically significant at the 10 percent level, partly due to the somewhat-larger sample size.

[18]Most likely, sample members who had earnings this low did not work consistently through the quarter, but it is impossible to know for sure, since UI wage data are collected only quarterly. Impacts on employment at different levels of earnings are shown in Appendix Table E.5.

determine whether this late effect is a temporary phenomenon, but the fact that none of the impacts in the previous quarters are close to significant suggests that this impact may not persist.[19]

In Fort Worth, nearly 81 percent of ERA group members were ever employed over the two-year follow-up period, which is 4 percentage points higher than the control group's average. This impact is consistent with the participation results, discussed in Chapter 3, which show that ERA increased participation in group job search activities in Fort Worth (which was not the case in Corpus Christi). This impact may also suggest that, unlike in Corpus Christi, the stipend did have a modest effect on employment in Fort Worth. There were no other significant impacts on employment or earnings over the two-year follow-up period in Fort Worth. Over that period, average earnings for the two research groups were approximately $9,500.

In Year 1, there were no impacts in Fort Worth on any of the measures of employment and earnings shown in Table 4.1. The weak results in Year 1 may be due to the startup problems in Fort Worth (noted in Chapter 2). In contrast to the pattern of impacts in Corpus Christi, the impacts in Fort Worth were stronger in Year 2, when nearly 69 percent of ERA group members were employed — 6 percentage points more than control group members. This impact emerged because the employment rate among ERA group members was the same in Year 2 as Year 1 while the percentage of control group members ever employed in Year 2 declined. However, there were no effects on measures of job retention or earnings.

By the end of Year 2, the impacts in Fort Worth were stronger than they were earlier in the follow-up period. Though ERA no longer had a statistically significant impact on the employment rate, the program produced a statistically significant $240 increase in earnings in the last quarter of Year 2. ERA increased the percentage of sample members who had earnings of $2,500 or more — an important measure of advancement. While these results are promising, it is impossible to know whether they represent a statistical anomaly or a real trend. Future reports will provide more definitive results.

In Houston, ERA had no effect on measures of employment, retention, or advancement. Over the two-year follow-up period, ERA group members in Houston earned $8,269, which is nearly the same as control group members earned. The two groups' rates of employment and employment retention were nearly identical over the follow-up period. In any given quarter, approximately 42 percent of ERA and control group members were employed, which is somewhat lower than in Corpus Christi and Fort Worth. The consistent lack of impacts for several measures, subgroups, and cohorts suggests that it is unlikely that full-sample impacts will emerge in Houston.

[19]Impact estimates are available for an early cohort through Year 3. In this cohort, the impacts also became stronger in the last quarter of Year 2 and were sustained throughout Year 3. However, the impacts for this cohort tended to be somewhat larger than for the full sample, and the sample size is smaller — so it is not yet clear what the Year 3 impacts will look like for the full sample.

Impacts on Stipend Receipt, Public Assistance, and Income

As discussed, TANF and food stamp data are available only through January 2004, and so two fewer quarters of follow-up are available from these sources. For this reason, the measures in the upper panel of Table 4.2 cover six quarters after random assignment (one and a half years) rather than two years.[20] Table 4.2 shows that, over the follow-up period, ERA group members in Corpus Christi received more in combined income from earnings, public assistance, and the stipend than control group members received from earnings and public assistance alone. Receipt of the stipend accounts for most of the difference. There were no effects on combined income in Fort Worth or Houston.

Approximately 82 percent of control group members in Texas ever received TANF in the first six quarters. This is important, since ERA's pre- and postemployment services — and the stipend — were available only to those who received TANF. Although the percentage ever receiving welfare was high, the rate declined rapidly during the follow-up period.

Across the three sites, between 92 percent and 97 percent of control group members received food stamps at some time in the follow-up period. While TANF receipt rates declined rapidly, the food stamp receipt rates were more stable: Approximately 70 percent of sample members were still receiving food stamps in Quarter 7. Thus, for this sample, food stamps were a much more important source of income than TANF payments.

Total measured income includes income from earnings, TANF payments, food stamp payments, and stipends (for ERA group members only). Despite the unstable employment and low earnings of control group members in Texas, earnings were the primary source of income. On average, approximately 53 percent of total income was derived from earnings; 34 percent came from food stamps; and TANF provided only 13 percent. Total income among control group members over the six-quarter period varied from $11,247 in Corpus Christi to $12,227 in Fort Worth.[21]

---

[20]Everyone who was randomly assigned through December 2001 has TANF and food stamp data available through Quarter 9. Sample members randomly assigned in the first quarter of 2002 are missing one quarter of payments, and those randomly assigned in Quarter 2 of 2002 are missing two quarters (data are available through Quarter 7). For this reason, the measures in this section go through Quarter 7 only (which is six quarters after the quarter of random assignment).

[21]While these estimates are far below the poverty line (given that this period is a year and a half), it is important to note that this measure provides a substantial underestimate of total household income. A fuller version of income that includes income from jobs not covered by the UI system and from other household members, child support, Supplemental Security Income (SSI), and other sources is available from the ERA 12-Month Survey. This measure suggests that household income among control group members was approximately $12,000 *annually* (still below the federal poverty level for a family of three, but much higher than the partial estimate available from the administrative records). In addition, neither measure includes an estimate of the Earned Income Tax Credit (EITC), an important source of income for low-wage workers.

The Employment Retention and Advancement Project

Table 4.2

Impacts on Public Assistance and Measured Income

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
First 6 quarters after random assignment									
Earnings ($)	6,197	5,772	425	6,978	6,782	195	6,066	6,030	36
Ever received TANF (%)	83.9	82.1	1.9	83.7	81.8	1.8	87.2	85.3	1.9
Amount of TANF received ($)	1,363	1,391	-28	1,555	1,579	-24	1,729	1,630	98 *
Ever received food stamps (%)	96.1	96.7	-0.6	94.1	92.4	1.7	92.6	93.4	-0.8
Amount of food stamps received ($)	3,991	4,085	-94	3,984	3,863	120	4,105	4,053	52
Amount of stipend received ($)	299	0	299 ***	241	0	241 ***	105	0	106 ***
Total measured income[a] ($)	11,850	11,247	604 *	12,758	12,227	530	12,005	11,713	292
Second quarter of Year 2									
Earnings ($)	1,148	1,120	28	1,302	1,310	-8	1,133	1,102	31
Ever received TANF (%)	30.4	35.2	-4.8 *	39.0	40.1	-1.1	44.6	41.7	2.9
Amount of TANF received ($)	139	154	-15	180	198	-18	215	201	14
Ever received food stamps (%)	72.8	73.9	-1.1	69.6	68.4	1.2	71.4	71.2	0.2
Amount of food stamps received ($)	631	655	-24	634	611	22	656	676	-20
Amount of stipend received ($)	66	0	66 ***	54	1	54 ***	34	0	34 ***
Total measured income[a] ($)	1,992	1,929	64	2,170	2,120	51	2,032	1,978	54
Sample size (total = 4,288)	654	652		578	586		905	913	

(continued)

Table 4.2 (continued)

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

NOTES: See Appendix B.

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

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

ERA did not affect the number of people who received any TANF or food stamps in Corpus Christi. However, because only ERA group members were eligible for the stipend, total income from all four sources was $604 higher among ERA group members (a 5 percent increase over the control group level). Over the two-year follow-up period, the average amount received from the stipend was approximately $300 (not shown). During this time period, 27 percent of the ERA group received a stipend.[22] This implies that those who received the stipend earned more than $1,100, on average, over the follow-up period ($300/0.27 = $1,111).

By Quarter 2 of Year 2 (see the lower panel of Table 4.2), ERA produced a statistically significant reduction in welfare receipt in Corpus Christi. Reducing recidivism was a key goal of the program. By that quarter, ERA group members were nearly 5 percentage points less likely to receive welfare. Since it was the first quarter in which an impact was evident, it is too early to say whether the ERA program in Corpus Christi will continue to reduce welfare receipt.[23] ERA no longer produced a significant impact on total income in Corpus Christi by the second quarter of Year 2.

In Fort Worth, ERA had no effect on TANF, food stamp payments, or total income over the first six quarters. By Quarter 2 of Year 2, the ERA program in Fort Worth was still not producing an effect on these outcomes. The lack of an impact on income in Fort Worth is partly due to the lower take-up of the ERA stipend in that site. Approximately 19 percent of ERA group members in Fort Worth had received a stipend by Quarter 7.

In Houston, ERA generated a small increase in the amount of TANF received over the six-quarter follow-up period. This impact was the result of a series of small but statistically insignificant increases in TANF over several quarters. However, because of the lack of an impact on earnings and the relatively low amount received from the stipend in Houston, there was no impact on total measured income.[24]

Figure 4.1 shows the percentage who were employed and receiving the stipend and the percentage who were employed without receiving the stipend in each quarter of the follow-up period in Corpus Christi.[25] The control group's bars show the employment rates that would have been expected in the absence of ERA. To the extent that the shaded portion of the ERA group's bar overlaps the control group's bar, the stipend was paid to those who would have worked

[22]The stipend receipt estimates presented in Chapter 2 are somewhat higher because they cover a longer follow-up period.

[23]Quarterly impacts on TANF and food stamp measures are shown in Appendix Tables E.7 and E.8.

[24]The impacts in this section were computed among single-parent families only. The only site with a sufficient sample of two-parent families to allow for a reasonable analysis is Corpus Christi. There are no statistically significant impacts on employment or earnings in this small sample (N = 178).

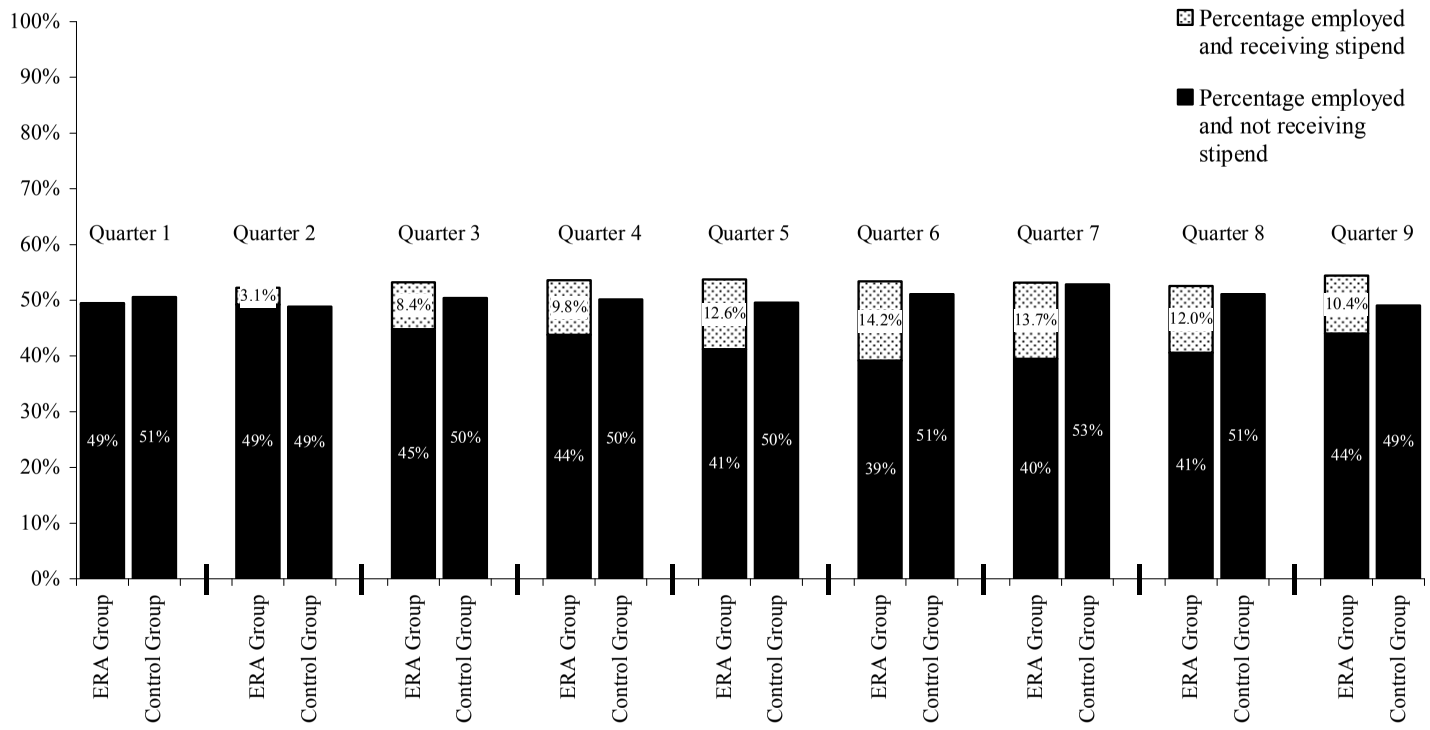
[25]The comparable figures for Fort Worth and Houston are shown in Appendix E.

The Employment Retention and Advancement Project

Figure 4.1

Percentage Employed According to UI Records and Receiving the ERA Stipend

Corpus Christi



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

anyway. (In the study of incentive programs, this is known as "windfall.") To the extent that the shaded region exceeds the control group's employment bar, the stipends encouraged new employment. Although the ERA group's bars are mostly a little higher than the control group's, the figure shows that stipends do not appear to have added much additional employment. While Figure 4.1 shows that the stipend did not achieve its employment goals, the stipend did generate an increase in income in Corpus Christi (Table 4.2).

Impacts on Job Characteristics

Table 4.3 summarizes the impacts of the Texas ERA program on several measures of job characteristics, based on the ERA 12-Month Survey.[26] It shows that, for the most part, ERA had no effect on the characteristics of participants' jobs.

In addition to the cautions raised about the representativeness of the survey cohorts (see "Data Sources and Samples," above), two new cautions emerged from reviewing the findings that are based on administrative records. First, the ERA 12-Month Survey covers only Year 1, which is a period when only 16 percent of the ERA group had received a stipend in Corpus Christi (for example). Second, Table 4.1 shows that both ERA and control group members who worked had higher average earnings in Year 2 than in Year 1. For these reasons — and the fact that the survey is drawn from fairly narrow cohorts — the Year 1 results may not be representative.

Most control group members were working in low-wage jobs. As suggested in the administrative records analysis, wages were especially low in Corpus Christi, where 60 percent of employed control group respondents worked at jobs that paid less than $7 per hour. In all three sites, relatively few worked in jobs with employer-provided benefits, such as sick days, dental benefits, and health insurance.

In Corpus Christi, few effects are large enough to be statistically significant. Among the few impacts that do reach significance, perhaps the most encouraging are the effects on working in jobs that require important skills. ERA group respondents in Corpus Christi were more likely than those in the control group to work in jobs that required computer skills and that required arithmetic.[27]

In Fort Worth, the survey sample size is below 100 per research group, so the findings are less reliable. Although an impact is found in the administrative records, no effect on job placement is evident in the survey. Not much can be made of this, however, because the cohorts do not overlap. In Fort Worth as in Corpus Christi, ERA increased the percentage of sample members who worked with computers.

---

[26]Appendix Tables E.2 to E.4 show the impacts of ERA on other survey outcomes.
[27]Web site: http://www.fordschool.umich.edu/research/poverty/wes/index.html.

The Employment Retention and Advancement Project

Table 4.3

Impacts on Characteristics of Current Job

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Employment status (%)									
Ever employed since random assignment	76.3	70.8	5.5	72.1	74.6	-2.5	64.0	62.6	1.4
No longer employed	23.6	21.9	1.7	28.8	35.9	-7.1	22.7	27.8	-5.1
Currently employed	52.7	48.2	4.5	43.3	38.7	4.6	41.3	34.8	6.5
Current working status									
Full time	37.6	33.6	4.0	36.3	31.9	4.4	32.6	23.9	8.6
Part time	15.1	14.6	0.4	7.0	6.8	0.2	8.7	10.8	-2.1
Currently employed at a "good job"[a] (%)	9.6	10.3	-0.7	15.5	9.1	6.3	15.5	9.4	6.1
Hours									
Average hours per week	17.2	16.6	0.6	16.0	14.3	1.7	14.2	11.7	2.5
Total hours per week (%)									
Less than 30	15.1	14.6	0.4	7.0	6.8	0.2	8.7	10.8	-2.1
30-34	12.1	6.7	5.4	3.1	7.5	-4.4	6.2	1.9	4.3 *
35-44	20.9	19.8	1.1	27.5	17.4	10.2	22.4	19.3	3.0
45 or more	4.6	7.1	-2.5	5.7	7.1	-1.4	4.0	2.7	1.3
Average hourly wage (%)									
less than $5.00	5.3	9.1	-3.8	6.0	8.9	-2.9	5.3	4.8	0.6
$5.00 - $6.99	24.5	19.8	4.7	11.1	10.2	0.9	8.2	10.7	-2.5
$7.00 - $8.99	14.8	11.5	3.4	13.4	11.1	2.2	17.8	10.4	7.4 *
$9.00 or more	8.1	7.8	0.2	12.8	8.6	4.3	9.9	8.9	1.0

(continued)

Table 4.3 (continued)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Earnings									
Average weekly earnings ($)	121	113	8	132	100	32	104	98	6
Total earnings per week (%)									
Less than $200	22.0	20.2	1.8	12.0	10.4	1.6	13.3	11.6	1.6
$201-$300	21.0	15.7	5.4	14.0	16.8	-2.9	15.0	9.2	5.8
$301-$500	7.1	10.8	-3.7	12.0	10.4	1.7	13.3	10.2	3.1
$500 or more	2.6	1.6	1.0	5.3	1.2	4.2	-0.3	3.7	-4.0 ***
Benefits (%)									
Employer-provided benefits at current job									
Sick days with full pay	12.7	12.1	0.6	12.6	7.7	4.8	12.6	14.4	-1.8
Paid vacation	18.8	11.1	7.8 *	11.9	11.5	0.5	16.1	14.9	1.3
Paid holidays other than Christmas and New Year	16.2	15.6	0.6	10.1	8.0	2.1	16.6	11.0	5.6
Dental benefits	12.6	11.6	1.0	11.8	8.5	3.4	13.6	9.9	3.7
A retirement plan	12.4	11.1	1.3	6.7	9.2	-2.5	10.9	8.6	2.3
A health plan or medical insurance	15.4	13.6	1.8	14.0	9.5	4.6	16.4	11.9	4.5
Schedule[b] (%)									
Regular	30.1	27.9	2.1	21.6	21.0	0.6	24.9	18.1	6.8
Split	-0.1	1.4	-1.5	0.8	2.4	-1.6	0.6	0.1	0.4
Irregular	2.0	3.5	-1.5	1.0	4.2	-3.2	0.7	2.0	-1.3
Evening shift	5.9	7.2	-1.3	1.8	4.5	-2.7	2.8	6.0	-3.1
Night shift	1.7	3.1	-1.4	5.6	0.9	4.7 *	2.0	2.7	-0.7
Rotating shift	10.6	1.4	9.2 ***	7.5	0.1	7.3 **	7.7	4.4	3.4
Other schedule	1.0	1.0	0.0	1.2	-0.1	1.2	2.2	-0.2	2.4 **
Odd job	1.4	2.7	-1.3	3.9	5.7	-1.8	0.3	1.7	-1.4

(continued)

Table 4.3 (continued)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Jobs skills index[c]	30.5	29.0	1.6	29.2	26.1	3.1 **	28.6	27.9	0.7
Percentage reporting that job requires each at least monthly									
Requires reading and writing skills	37.9	33.2	4.7	31.1	25.5	5.6	27.0	26.2	0.7
Works with computers	25.0	16.6	8.4 *	19.2	6.6	12.7 ***	16.8	13.5	3.3
Does arithmatic	30.6	21.4	9.3 *	23.1	14.4	8.7	22.9	22.9	0.1
Requires customer contact	47.8	42.7	5.1	38.3	33.1	5.2	38.7	31.9	6.8
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from ERA 12-Month Survey.

NOTES: See Appendix D.

[a]This definition of a good job is adapted from Johnson and Corcoran (2003). A "good job" is a job in which a respondent works 35 or more hours per week and either (1) pays $7.00 or more per hour and offers health insurance or (2) pays $8.50 or more per hour.

[b]A split shift is defined as one consisting of two distinct periods each day. An irregular schedule is defined as one that changes from day to day. A rotating shift is one that changes regularly from days to evenings to nights.

[c]The job skills index was created by regressing the "good job" measure on 10 dummy variables that indicate whether sample members possess specific job skills. This regression generated weights that ranked each skill based on its association with working at a good job. Each sample member was given a job skills score that was created by multiplying the regression-derived weights by each of the 10 jobs skills dummy variables. The result is an index that measures the probability of working at a good job, based on the skills that are required at the current job.

In Houston, the survey impacts are more positive than would be expected based on the findings from the larger sample for which administrative records are available. For example, respondents in the ERA group were nearly 9 percentage points more likely to work in full-time jobs, which is close to being statistically significant (p-value = 0.108). This is likely due to response bias. Specifically, the impacts of ERA on employment and earnings from the administrative records are more positive among Houston's survey respondents than among its full report sample.[28]

Impacts on Employment Stability

Table 4.4 shows outcomes related to job retention, based on the ERA 12-Month Survey. ERA had no significant impacts on measures of job retention in any of the Texas sites.

The control group outcomes show that between 22 percent (in Corpus Christi) and 13 percent (in Houston) of control group respondents worked more than 10 months in the first year. Approximately half of those who were employed worked for 7 or fewer months. Only about 35 percent of control group members worked for the same employer for 6 months or more. Sample members were likely to work in multiple jobs in the one-year follow-up period. For example, in Corpus Christi, 29 percent of all control group respondents worked in two or more jobs; this constitutes nearly 46 percent of those who ever worked.

In Corpus Christi, ERA produced no statistically significant effects on job retention. While the findings from the administrative records indicate that there were some effects on job retention in Corpus Christi in Year 1, these effects are not observed in the survey sample. This may be because the survey sample size in Corpus Christi is rather small, making it difficult to detect statistically significant results. In Fort Worth and Houston, there were no effects on job retention (similar to the findings from the analysis of administrative records).

Impacts in Year 3

As discussed, a smaller group of sample members who were randomly assigned through June 2001 — the "early cohort" — have three years of follow-up data on measures of earnings and employment. Results for the early cohort may provide a preview of the impacts for the full sample in Year 3. The sample sizes that have three years of follow-up are 668 in Corpus Christi, 710 in Fort Worth, and 673 in Houston. Impacts for this early cohort and for the report sample are

[28]For example, for the full report sample, ERA reduced earnings in Year 1 by $94, compared with *increases* of $228 for the fielded survey sample and $728 for the survey respondent sample. For the full sample, ERA reduced the percentage working in any given quarter by 1.0 percentage point, compared with *increases* of 3.7 percentage points for the fielded sample and 5.0 percentage points for the survey respondent sample. This response bias cannot be rectified by weighting based on background characteristics because differences in measurable characteristics are not systematic.

The Employment Retention and Advancement Project

Table 4.4

Impacts on Employment Retention

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Ever employed in Year 1 (%)	70.5	63.5	7.0	63.0	70.9	-7.9	60.4	58.8	1.6
Average months employed in Year 1	5.4	4.7	0.7	4.0	5.0	-1.0	4.1	4.1	0.0
Total months employed in Year 1 (%)									
Less than 4	14.1	14.1	0.0	21.0	16.3	4.7	15.3	11.0	4.3
4 to 7	17.1	16.1	1.0	16.1	20.0	-3.8	19.2	22.0	-2.8
8 to 10	13.8	11.8	2.1	10.7	14.8	-4.1	11.7	13.3	-1.6
More than 10	25.4	21.6	3.9	15.1	19.9	-4.7	14.3	12.6	1.6
Worked during Months 1 to 3 and worked for (%)									
Less than 6 consecutive months	9.0	11.6	-2.7	8.7	8.3	0.4	8.3	9.9	-1.6
6 or more consecutive months	34.4	28.5	5.9	25.1	26.0	-0.9	21.5	22.3	-0.8
Number of jobs in Year 1 (%)									
0	29.5	36.5	-7.0	37.0	29.1	8.0	39.6	41.2	-1.6
1	33.9	34.4	-0.5	45.8	44.7	1.1	40.6	38.8	1.8
2 or 3	30.8	25.2	5.6	15.4	23.8	-8.5	18.3	18.8	-0.5
4 or more	5.8	3.9	1.9	1.8	2.4	-0.6	1.5	1.2	0.3
Ever worked for one employer for 6 months or more (%)	40.5	34.8	5.7	26.6	38.1	-11.5	29.1	30.2	-1.0
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

shown in Appendix Figure E.9. In Corpus Christi, this small group of early enrollees in the program experienced statistically significant employment impacts in Year 3. In the other two sites, impacts did not vary across cohorts. It should be noted that although the impacts look positive in Year 3 for this early cohort in Corpus Christi, there is no assurance that the impacts for the full report sample will be positive. Indeed, for the overlapping quarters, the impacts among the early cohort are somewhat larger and more consistent than the impacts for the full report sample.

Impacts for Subgroups Based on Employment in the Prior Year

An analysis of stipend receipt rates, discussed in Chapter 2, found that certain subgroups of the ERA group were more likely to receive the ERA stipend. In particular, groups that had more recent employment history were more likely to receive the stipend, because they were more likely to work in the post-random assignment period. Thus, it might be expected that the impacts of ERA in Texas would be stronger among subgroups that had recent employment history. It is also possible that an intervention like ERA is more effective for those who are more easily employable.

In Corpus Christi and Fort Worth, the two-year impacts were concentrated among sample members who had recent employment history prior to entering the study. For those without recent employment, there were no impacts on employment or employment retention. In Corpus Christi, ERA increased the percentage of sample members who were employed four consecutive quarters by nearly 6 percentage points among those who had worked in the year prior to entering the study. ERA did not raise employment or earnings above control group levels for sample members with no recent employment.[29] The impact on employment in Fort Worth was also concentrated among those with recent employment. In Houston, there were no impacts in either subgroup.

This pattern of subgroup impacts may be attributable to two factors. First, the sample members who were employed in the year prior to entering the study were reemployed sooner and, thus, more quickly reached the postemployment phase (where the difference between ERA and Choices was largest). Second, these sample members may have been more likely to have the necessary skills and human capital to better utilize the postemployment services and supports that the ERA program provided. These results are presented in Appendix Table E.16.

[29]Further analysis found that the difference in employment impacts across the subgroups in Corpus Christi are statistically significant.

Appendix A

Supplementary Table for Chapter 1

The Employment Retention and Advancement Project

Appendix Table A.1

Description of ERA Projects

State	Location	Target Group	Primary Service Strategies
Advancement projects			
Illinois	Cook (Chicago) and St. Clair (East St. Louis) Counties	TANF recipients who have worked at least 30 hours per week for at least 6 consecutive months	A combination of services to promote career advancement (targeted job search assistance, education and training, assistance in identifying and accessing career ladders, etc.)
California	Riverside County Phase 2	Newly employed TANF recipients working at least 20 hours per week	Test of alternative strategies for promoting participation in education and training activities
Placement and retention (hard-to-employ) projects			
Minnesota	Hennepin County (Minneapolis)	Long-term TANF recipients who were unable to find jobs through standard welfare-to-work services	In-depth family assessment; low caseloads; intensive monitoring and follow-up; emphasis on placement into unsubsidized employment or supported work with referrals to education and training, counseling, and other support services
Oregon	Portland	Individuals who are cycling back onto TANF and those who have lost jobs	Team-based case management, job search/job readiness components, intensive retention and follow-up services, mental health and substance abuse services for those identified with these barriers, supportive and emergency services

(continued)

Appendix Table A.1 (continued)

State	Location	Target Group	Primary Service Strategies
Placement and retention (hard-to-employ) projects (continued)			
New York	New York City PRIDE (Personal Roads to Individual Development and Employment)	TANF recipients whose employability is limited by physical or mental health problems	Two main tracks: (1) Vocational Rehabilitation, where clients with severe medical problems receive unpaid work experience, job search/job placement and retention services tailored to account for medical problems; (2) Work Based Education, where those with less severe medical problems participate in unpaid work experience, job placement services, and adult basic education
New York	New York City Substance Abuse (substance abuse case management)	TANF recipients with a substance abuse problem	Intensive case management to promote participation in substance abuse treatment, links to mental health and other needed services
Projects with mixed goals			
California	Los Angeles County EJC (Enhanced Job Club)	TANF recipients who have been required to search for employment	Job search workshops promoting a step-down method designed to help participants find a job that pays a "living wage"
California	Los Angeles County (Reach for Success program)	Newly employed TANF recipients working at least 32 hours per week	Stabilization/retention services, followed by a combination of services to promote advancement: education and training, career assessment, targeted job development, etc.
California	Riverside County PASS (Post-Assistance Self-Sufficiency program)	Individuals who have left TANF due to earned income	Intensive, family-based support services delivered by community-based organizations to promote retention and advancement

(continued)

Appendix Table A.1 (continued)

State	Location	Target Group	Primary Service Strategies
Projects with mixed goals (continued)			
Ohio	Cleveland	Low-wage workers with specific employers making under 200% of poverty who have been in their current jobs less than 6 months	Regular on-site office hours for counseling/case management; Lunch & Learn meetings for social support and presentations; newsletter for workers and employers; and Supervisory Training for employer supervisors
Oregon	Medford and Eugene	Employed former TANF recipients	Stabilization/retention services, followed by a combination of services to increase enrollment in education and training and promote advancement through "work-based" strategies
Oregon	Salem	TANF applicants	Job search assistance combined with career planning; once employed, education and training, employer linkages to promote retention and advancement
South Carolina	6 rural counties in the Pee Dee Region	Individuals who left TANF (for any reason) between 10/97 and 12/00	Individualized case management with a focus on reemployment, support services, job search, career counseling, education and training, and use of individualized incentives
Texas	Corpus Christi, Fort Worth, and Houston	TANF applicants and recipients	Individualized team-based case management; monthly stipends of $200 for those who maintain employment and complete activities related to employment plan

Appendix B

Notes for Tables and Figures Displaying Results Calculated with Administrative Records Data

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

Rounding may cause slight discrepancies in calculating sums and differences.

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

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

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

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

Unless otherwise stated, results are for sample members randomly assigned from October 2000 to June 2002.

NA = not applicable.

Appendix C

Examples of Employment-Related Measures Analyzed in This Report

For this report on the Employment Retention and Advancement (ERA) program in Texas, employment-related measures are created from unemployment insurance (UI) wage records and the ERA 12-Month Survey. This appendix describes some of the key measures in more detail, grouping them by the research questions that they help to answer. Measures from both UI wage records and the 12-month survey are discussed.[1]

Did ERA Improve Job Placement?

According to the baseline survey, nearly all the sample members in Texas were without work at the time of random assignment. Thus, an important measure of the effectiveness of the program is how well ERA placed sample members in jobs.

- **Ever employed in a UI-covered job in Years 1-2.** This is a key measure of job placement. A preemployment program like ERA in Texas is expected to produce increases in this measure. It captures both the movement from no employment to UI-covered employment and the movement from jobs not covered by the UI system to jobs that are covered. In general, jobs that are covered by the UI system are more likely to have benefits and to count toward eligibility for the Earned Income Tax Credit (EITC).

- **Ever employed as of the 12-month survey interview.** Based on responses to the ERA 12-Month Survey, this is a more comprehensive measure of job placement that captures the movement from no employment to either UI-covered jobs or jobs not covered by the UI-system. The shortcomings of this measure are that it is based on recall of past events, rather than on administrative records, and that it is based on the smaller survey sample.[2]

Did ERA Improve Employment Retention?

As discussed in the introduction to the report, although a lot is known about how to place welfare recipients in jobs, very little is known about how to help them retain those jobs. Facing a variety of barriers to work — including health issues, unreliable or costly child care and transpor-

[1]As discussed in the report, UI wage data are a reliable source for estimating employment and earnings impacts because UI wage records are stored in computerized systems shortly after the completion of a quarter and most employers are required to submit them. UI records do, however, miss wages that are not reported to the UI system in Texas, including "off-the-books," federal, out-of-state, and military jobs and self-employment. Also, UI records usually do not measure job characteristics. For these reasons, data from the ERA 12-Month Survey are also used.

[2]The advantages and disadvantages of survey measures versus UI measures are the same for all the items listed in this appendix and thus are not repeated throughout.

tation arrangements, and difficult working conditions — welfare recipients often have unstable employment experiences. One of the key goals of ERA in Texas was to stabilize employment.

- **Average quarterly employment in UI-covered jobs.** This measure can be defined as the employment rate in the average quarter, and though it is related to employment retention, it might also reflect job placement and the timing of initial employment. Average quarterly employment was computed by adding up the number of quarters employed and dividing by the total number of quarters potentially employed. For example, for the two-year measure, a sample member who was employed in two quarters received a value of 25 percent [(2/8) $*$ 100].

- **Employed four consecutive quarters in UI-covered jobs.** An impact on this measure would likely signal an effect on employment retention. Because UI wage records are reported quarterly, it is not possible to know whether sample members who worked in four consecutive quarters were really employed the whole time.

- **Number of months employed since random assignment.** This item, from the 12-month survey, is a measure of employment stability. While it is similar to the two items above, it provides a more finely grained measure of employment stability, since survey data can be collected at monthly intervals. Similarly, the survey item "employed six consecutive months" is a measure of employment stability that is comparable to "employed four consecutive quarters," but it provides a better estimate of stability because it is based on months rather than quarters.

Did ERA Lead to Advancement in the Labor Market?

The goals of ERA go beyond employment retention. Retention at a low-wage or low-quality job may represent some improvement, but the goals of ERA included advancement to jobs that offered better pay and benefits. Improvements in job quality can be viewed as a type of advancement. Some of these measures are mostly noneconomic (such as whether one works the night shift) but are still important. Others (such as health benefits) can have large economic consequences that are not incorporated in measures of earnings.

- **Earned over $10,000.** This measure could be related to both retention and advancement, although — like some of the other measures — it could also reflect the timing of initial employment. The two-year measure of earnings uses a threshold of $20,000.

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

- **Employed at a good job.** A "good job" is a job in which a respondent works 35 or more hours per week and either (1) pays $7.00 or more per hour and offers health insurance or (2) pays $8.50 or more per hour.[3] By coupling wages and benefits, this measure allows for a more nuanced assessment of job quality.

- **Job schedule measures.** For workers in general, and for working mothers with young children in particular, the job schedule can raise critical issues. It can be difficult, for example, to arrange for child care during the evening, and overnight shifts can be even more difficult to accommodate. On the other hand, such atypical schedules may command higher wage rates. For these reasons, it is important to analyze job schedules.

- **Job skills index.** These survey measures were adopted from the Woman's Employment Study (WES).[4] Working at jobs that require skills for which there is a high demand in the labor market is an important pathway to advancement. Even if these skills are not compensated for immediately, they may lead to longer-term improvement in labor market outcomes.

- **Employer-provided benefits.** The availability of benefits is obviously important. A lower-wage job with such key benefits as health and dental insurance may be more economically beneficial than a higher-wage job without benefits. On the other hand, many sample members were eligible for Medicaid, which may have provided more affordable benefits than private employer-based health insurance programs. An important point is that the measures presented in this report reflect self-reported assessments of the *availability* of benefits. Sample members may have elected not to participate in benefit plans, particularly if the plans were too expensive.

[3]This definition of a good job is adapted from Johnson and Corcoran (2003).
[4]Web site: http://www.fordschool.umich.edu/research/poverty/wes/index.html.

What Was the Overall Effect of ERA on Employment Retention and Advancement?

As discussed in the introduction, ERA in Texas had many goals. The employment goals included initial job placement, employment retention, and advancement.

- **Earnings in UI-covered jobs.** An impact on average total earnings could reflect improvements in job placement, retention, or advancement or some combination of the three. For this reason, impacts on total earnings are a comprehensive indicator of the effectiveness of ERA.

- **Hourly and weekly wages.** Measures of earnings are also created from the ERA 12-Month Survey. The survey measures are more refined than the UI data, because earnings can be expressed as hourly wages or as weekly earnings. Thus, the survey measures provide an indication of whether any differences in earnings are "driven" by the number of hours worked or by the wage rates.

Appendix D

Notes for Tables and Figures Displaying Impacts Calculated with Responses to the ERA 12-Month Survey

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

Rounding may cause slight discrepancies in calculating sums and differences.

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

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

NA = not applicable.

Appendix E

Supplementary Tables and Figures

The Employment Retention and Advancement Project

Appendix Table E.1

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

Texas

Outcome	ERA Group	Control Group	Difference (Impact)
Corpus Christi			
Report sample[a]			
Ever employed (%)			
Quarter of random assignment	49.5	50.6	-1.0
Q2	52.3	48.9	3.4
Q3	53.2	50.4	2.8
Q4	53.6	50.1	3.5
Q5	53.8	49.6	4.2
Q6	53.4	51.1	2.3
Q7	53.2	52.9	0.3
Q8	52.6	51.1	1.5
Q9	54.4	49.1	5.3 **
Earnings ($)			
Quarter of random assignment	536	523	13
Q2	791	755	36
Q3	998	894	105
Q4	1,061	920	141 *
Q5	1,078	1,018	60
Q6	1,113	1,057	56
Q7	1,153	1,117	36
Q8	1,198	1,167	31
Q9	1,215	1,144	71
Sample size (total = 1,309)	656	653	
Early cohort[b]			
Ever employed (%)			
Quarter of random assignment	52.8	50.8	2.1
Q2	55.4	48.7	6.8 *
Q3	56.2	50.3	5.9
Q4	54.1	52.4	1.7
Q5	56.2	48.2	8.1 **
Q6	52.5	49.9	2.5
Q7	54.6	51.1	3.5
Q8	52.2	51.4	0.9
Q9	54.9	48.3	6.6 *
Q10	53.4	45.1	8.3 **
Q11	51.6	44.4	7.2 *
Q12	50.4	42.0	8.4 **
Q13	52.2	42.4	9.8 ***

(continued)

Appendix Table E.1 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)
Earnings ($)			
Quarter of random assignment	585	550	36
Q2	788	695	92
Q3	1,016	821	195 *
Q4	1,074	843	231 **
Q5	1,049	973	76
Q6	1,075	977	98
Q7	1,091	1,051	40
Q8	1,167	1,112	55
Q9	1,156	999	157
Q10	1,116	1,019	98
Q11	1,214	1,030	184
Q12	1,257	1,025	232 *
Q13	1,152	1,014	138
Sample size (total = 668)	337	331	
Fort Worth			
Report sample[a]			
Ever employed (%)			
Quarter of random assignment	45.6	44.2	1.3
Q2	47.5	46.1	1.4
Q3	51.4	48.4	3.0
Q4	49.1	46.9	2.2
Q5	47.5	47.8	-0.3
Q6	49.4	45.9	3.6
Q7	47.9	47.1	0.8
Q8	46.5	45.9	0.6
Q9	48.5	44.4	4.1
Earnings ($)			
Quarter of random assignment	596	547	48
Q2	847	857	-9
Q3	1,132	1,055	77
Q4	1,250	1,136	114
Q5	1,224	1,233	-9
Q6	1,228	1,190	38
Q7	1,295	1,310	-15
Q8	1,368	1,213	155
Q9	1,448	1,212	237 **
Sample size (total = 1,163)	577	586	
Early cohort[b]			
Ever employed (%)			
Quarter of random assignment	47.7	45.3	2.4
Q2	49.5	46.4	3.1
Q3	54.8	48.4	6.4 *

(continued)

Appendix Table E.1 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)
Q4	49.7	48.3	1.4
Q5	48.9	51.6	-2.6
Q6	48.5	48.2	0.3
Q7	47.4	48.1	-0.7
Q8	43.1	46.4	-3.3
Q9	44.3	44.4	-0.1
Q10	47.2	48.6	-1.4
Q11	47.1	45.6	1.5
Q12	46.8	41.8	5.0
Q13	47.5	43.9	3.6
Earnings ($)			
Quarter of random assignment	604	547	58
Q2	911	857	55
Q3	1,231	1,064	167
Q4	1,279	1,185	94
Q5	1,266	1,356	-90
Q6	1,186	1,238	-52
Q7	1,288	1,361	-73
Q8	1,348	1,277	71
Q9	1,437	1,338	98
Q10	1,360	1,362	-1
Q11	1,487	1,430	57
Q12	1,564	1,341	223
Q13	1,638	1,443	196
Sample size (total = 710)	347	363	
Houston			
Report sample[c]			
Ever employed (%)			
Q1	39.0	38.8	0.1
Q2	41.7	42.1	-0.4
Q3	42.9	45.8	-2.9
Q4	43.0	43.5	-0.5
Q5	42.7	42.2	0.5
Q6	44.5	40.6	3.9 *
Q7	44.2	40.8	3.4
Q8	42.3	40.8	1.5
Q9	40.0	41.6	-1.6
Earnings ($)			
Quarter of random assignment	494	537	-43
Q2	732	755	-23
Q3	948	1,022	-74
Q4	1,028	1,017	11
Q5	1,084	1,073	11

(continued)

Appendix Table E.1 (continued)

Outcome	ERA Group	Control Group	Difference (Impact)
Q6	1,144	1,066	78
Q7	1,134	1,104	30
Q8	1,113	1,095	18
Q9	1,087	1,177	-90
Sample size (total = 1,816)	904	912	
Early cohort[c]			
Ever employed (%)			
Quarter of random assignment	38.6	42.0	-3.3
Q2	40.8	44.8	-4.0
Q3	43.5	47.4	-3.9
Q4	40.4	41.0	-0.6
Q5	41.1	40.9	0.3
Q6	41.8	36.9	4.8
Q7	43.2	42.1	1.1
Q8	39.9	38.8	1.1
Q9	41.3	40.7	0.6
Q10	40.2	41.6	-1.4
Q11	39.7	40.5	-0.8
Q12	40.4	40.2	0.2
Q13	41.8	36.9	5.0
Earnings ($)			
Quarter of random assignment	547	574	-28
Q2	691	771	-80
Q3	935	1,065	-130
Q4	997	941	56
Q5	972	960	12
Q6	1,025	903	121
Q7	1,103	1,061	42
Q8	1,112	1,036	76
Q9	1,070	1,048	22
Q10	1,158	1,061	97
Q11	1,071	1,088	-16
Q12	1,084	1,157	-73
Q13	1,220	1,056	164
Sample size (total = 673)	340	333	

(continued)

Appendix Table E.1 (continued)

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

NOTES: See Appendix B.

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

[a]Corpus Christi and Fort Worth report sample members were randomly assigned from October 2000 to June 2002.

[b]Corpus Christi and Fort Worth early cohort members were randomly assigned from October 2000 to June 2001.

[c]Houston report sample members were randomly assigned from March 2001 to June 2002, and early cohort members for this site were randomly assigned from March to June 2001.

The Employment Retention and Advancement Project

Appendix Table E.2

Impacts on Household Income and Composition

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Household income									
Percentage with each income source (%)									
Own earnings	62.4	59.0	3.4	49.5	47.3	2.2	41.7	41.2	0.5
Earnings of other members	36.9	28.8	8.1	35.1	27.8	7.4	27.0	25.5	1.6
Child support	20.9	16.5	4.4	17.9	10.0	7.9	14.5	16.6	-2.1
Public assistance	78.8	77.8	1.1	74.0	70.8	3.2	71.8	73.7	-1.9
TANF	36.0	33.0	3.0	34.5	19.1	15.4 **	44.0	40.8	3.2
Food stamps	71.4	73.3	-1.9	69.5	62.6	6.9	67.0	68.3	-1.3
SSI or disability	11.2	11.6	-0.5	12.6	13.0	-0.4	9.5	12.7	-3.2
Total household income in prior month ($)	1,242	1,076	165	1,251	1,077	174	961	1,066	-105
Percentage of household income that is respondent's (%)	72.0	74.9	-2.9	71.5	73.0	-1.5	70.6	68.8	1.8
Alternative household income[a] ($)	978	936	42	951	929	22	926	857	69
Household composition									
Number in household	4.0	3.8	0.1	4.1	4.0	12.0	4.0	4.1	-13.0
Ever married (%)	49.5	51.9	-2.4	44.7	35.3	9.3	41.2	34.8	6.4
Living with partner (%)	16.3	16.8	-0.4	7.3	6.6	0.7	7.1	8.4	-1.3
Current marital status (%)									
Married and living with spouse	6.1	8.3	-2.2	8.6	6.3	2.3	6.5	5.6	1.0
Separated or living apart from spouse	27.1	22.0	5.2	16.3	13.5	2.8	18.1	23.7	-5.7
Divorced	15.6	18.2	-2.6	17.9	14.1	3.9	15.6	5.2	10.4 ***
Widowed	0.5	2.2	-1.8	1.8	1.4	0.3	1.0	0.3	0.7
Sample size (total = 775)	141	149		92	96		150	147	

(continued)

Appendix Table E.2 (continued)

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

[a] This measure was created by combining administrative records data and respondent's earnings from the survey. It includes survey earnings or UI earnings where available, food stamps, AFDC, and estimated EITC income in the month prior to the survey.

The Employment Retention and Advancement Project

Appendix Table E.3

Impacts on Other Outcomes

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Health coverage									
Respondent has health coverage (%)[a]	78.3	79.6	-1.3	69.4	70.0	-0.6	80.3	77.2	3.1
Publicly funded	71.1	73.0	-2.0	62.0	59.3	2.7	76.0	73.4	2.6
Publicly funded and not on TANF or SSI	28.2	32.4	-4.2	27.7	34.9	-7.2	23.8	26.7	-2.9
Privately funded	11.9	7.5	4.4	7.4	12.7	-5.3	8.2	5.3	2.9
All dependent children have health care coverage (%)	86.2	89.6	-3.4	77.1	73.0	4.2	85.0	86.1	-1.1
All dependent children have health care coverage and respondent is not covered by TANF or SSI (%)	46.9	49.6	-2.8	43.2	50.3	-7.0	32.7	40.8	-8.0
Respondent and all children have health care coverage (%)	74.5	76.5	-1.9	65.8	56.8	9.0	76.4	75.8	0.7
Respondent and all children have health care coverage and respondent is not covered by TANF or SSI (%)	32.6	36.3	-3.7	31.6	33.3	-1.7	24.3	29.7	-5.4
Child care									
Ever used any child care in Year 1 (%)	54.0	48.2	5.8	41.4	44.7	-3.4	42.6	45.0	-2.5
Any informal child care (%)	8.1	7.1	1.1	3.3	7.2	-3.9	5.1	6.4	-1.3

(continued)

Appendix Table E.3 (continued)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Child care expenses (%)	41.2	38.9	2.4	36.6	34.7	2.0	36.0	37.4	-1.4
Paid entirely by respondent	5.4	8.4	-3.0	10.4	3.6	6.9 *	5.1	5.7	-0.6
Paid partially by respondent	26.4	18.7	7.7	14.0	18.9	-5.0	12.2	16.8	-4.5
Not paid by respondent	9.5	11.8	-2.3	12.3	12.2	0.1	18.7	14.9	3.8
Child care was a barrier to school, job training, or work (%)	16.0	21.1	-5.1	14.3	19.7	-5.4	15.6	16.8	-1.2
Quit job, school, or training because of child care problems	13.2	13.7	-0.5	13.2	18.6	-5.3	11.8	13.8	-2.0
Missed work because of child care problems	6.1	9.0	-3.0	2.3	1.9	0.4	4.5	3.6	1.0
Transportation									
Own car, van, or truck (%)	62.2	66.6	-4.4	66.6	58.1	8.5	49.7	45.9	3.8
Commuting time (minutes)	22.2	20.9	1.3	21.5	24.1	-2.6	39.7	34.6	5.1
Transportation costs per week ($)	20.1	20.9	-0.8	25.4	23.1	2.3	24.1	25.9	-1.9
Method of transportation to work (%)									
By car	34.2	38.8	-4.6	26.5	29.8	-3.2	17.6	23.6	-6.0
By bus	13.7	7.8	5.9	6.8	6.0	0.8	23.5	21.6	1.9
Get a ride	18.7	17.2	1.4	32.3	30.5	1.8	23.1	14.6	8.5 *
Walk	4.5	3.8	0.8	1.0	4.2	-3.2	3.3	3.5	-0.2
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

[a]Health coverage measures combine data from the survey employment section, health coverage section, income section, and administrative records on public assistance receipt. A person can be receiving both public and private health coverage.

The Employment Retention and Advancement Project

Appendix Table E.4

Impacts on Wage Growth and Advancement for Current/Most Recent Job

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impact)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impact)	Houston ERA Group	Houston Control Group	Houston Difference (Impact)
Employed in first 6 months and at interview (%)	39.5	31.8	7.8	23.9	24.0	-0.1	24.6	21.8	2.8
Among those employed in first 6 months and at interview									
Percentage whose weekly earnings:									
Increased	18.9	17.0	1.9	11.6	9.8	1.8	12.9	10.0	2.9
Increased by less than 20 percent	5.5	6.2	-0.7	3.0	3.4	-0.4	5.4	1.3	4.2 *
Increased by 20 percent or more	13.4	10.8	2.5	8.6	6.4	2.2	7.5	8.7	-1.3
Decreased	11.3	8.1	3.1	10.3	6.8	3.5	5.0	7.2	-2.2
Stayed the same	9.4	6.6	2.8	2.1	7.4	-5.3 *	6.7	4.7	2.0
Average weekly earnings at interview ($)	*240*	*238*	*2*	*334*	*287*	*47*	*252*	*300*	*-48*
Percentage whose hours worked:									
Increased	9.6	11.8	-2.2	6.7	8.2	-1.6	8.8	6.7	2.1
Increased by less than 20 percent	4.2	4.8	-0.6	2.0	1.2	0.8	2.8	0.5	2.3
Increased by 20 percent or more	5.4	7.0	-1.6	4.6	7.0	-2.4	6.0	6.2	-0.2
Decreased	14.0	5.6	8.4 **	6.3	6.5	-0.3	4.2	5.9	-1.7
Stayed the same	16.0	14.4	1.5	11.0	9.2	1.8	11.6	9.3	2.3
Average weekly hours worked at interview	*33.4*	*35.7*	*-2.3*	*36.1*	*40.5*	*-4.4*	*34.8*	*33.5*	*1.3*

(continued)

Appendix Table E.4 (continued)

Outcome	Corpus Christi			Fort Worth			Houston		
	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Percentage whose hourly pay:									
Increased	20.9	15.2	5.7	13.8	5.6	8.2 *	10.5	9.7	0.8
Increased by less than 20 percent	7.6	8.9	-1.3	7.5	3.2	4.3	8.3	3.8	4.6
Increased by more than 20 percent	13.3	6.3	7.0 *	6.2	2.4	3.9	2.2	5.9	-3.7
Decreased	6.8	8.3	-1.5	4.9	10.9	-6.0	4.7	6.1	-1.3
Stayed the same	11.8	8.3	3.5	5.2	7.5	-2.3	9.4	6.1	3.3
Average hourly pay at interview ($)	*7.23*	*6.56*	*0.67*	*9.13*	*7.36*	*1.77*	*7.51*	*9.17*	*-1.66*
Sample size (total = 775)	141	149		92	96		150	147	

SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

The Employment Retention and Advancement Project

Appendix Table E.5

Years 1-2, Impacts on UI-Covered Employment

Texas (All Sites)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impacts)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impacts)	Houston ERA Group	Houston Control Group	Houston Difference (Impacts)
Ever employed[a] (%)									
Quarter of random assignment	49.5	50.6	-1.0	45.6	44.2	1.3	39.0	38.8	0.1
Q2	52.3	48.9	3.4	47.5	46.1	1.4	41.7	42.1	-0.4
Q3	53.2	50.4	2.8	51.4	48.4	3.0	42.9	45.8	-2.9
Q4	53.6	50.1	3.5	49.1	46.9	2.2	43.0	43.5	-0.5
Q5	53.8	49.6	4.2	47.5	47.8	-0.3	42.7	42.2	0.5
Q6	53.4	51.1	2.3	49.4	45.9	3.6	44.5	40.6	3.9 *
Q7	53.2	52.9	0.3	47.9	47.1	0.8	44.2	40.8	3.4
Q8	52.6	51.1	1.5	46.5	45.9	0.6	42.3	40.8	1.5
Q9	54.4	49.1	5.3 **	48.5	44.4	4.1	40.0	41.6	-1.6
Earned $2,500 or more (%)									
Quarter of random assignment	5.1	3.7	1.4	6.5	7.4	-0.8	4.2	5.8	-1.6 *
Q2	9.6	10.6	-1.1	12.5	12.5	0.0	11.4	10.1	1.3
Q3	14.2	15.0	-0.8	18.4	18.1	0.3	15.1	16.7	-1.6
Q4	17.5	13.4	4.1 **	22.9	19.8	3.1	18.0	17.5	0.5
Q5	17.2	18.3	-1.1	21.2	21.5	-0.3	18.2	18.4	-0.2
Q6	18.8	18.3	0.5	19.9	20.8	-0.9	18.7	18.0	0.7
Q7	19.9	19.7	0.2	22.7	22.2	0.5	19.6	18.3	1.2
Q8	20.8	20.6	0.3	24.8	21.0	3.8	19.2	20.0	-0.8
Q9	21.1	19.6	1.5	24.2	20.2	4.0 *	18.0	20.7	-2.7

(continued)

Appendix Table E.5 (continued)

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impacts)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impacts)	Houston ERA Group	Houston Control Group	Houston Difference (Impacts)
Earned between $500 and $2,499 (%)									
Quarter of random assignment	25.3	27.5	-2.2	24.8	20.3	4.5 *	20.8	19.4	1.4
Q2	29.0	25.3	3.7	22.6	21.3	1.3	18.4	20.2	-1.8
Q3	28.0	22.0	6.1 **	20.8	18.9	1.9	18.5	19.6	-1.1
Q4	24.1	26.8	-2.7	18.6	19.3	-0.7	17.3	18.6	-1.4
Q5	26.5	21.5	5.0 **	17.6	17.8	-0.1	16.1	16.9	-0.8
Q6	26.0	22.3	3.7	20.3	16.2	4.0 *	16.6	17.0	-0.5
Q7	23.0	21.5	1.5	17.7	16.0	1.7	16.5	16.4	0.1
Q8	22.5	20.6	1.9	14.1	15.0	-0.9	15.2	13.3	2.0
Q9	23.0	22.8	0.2	16.5	16.8	-0.3	15.9	14.7	1.2
Earned between $1 and $499 (%)									
Quarter of random assignment	19.2	19.4	-0.2	14.3	16.5	-2.3	13.9	13.6	0.3
Q2	13.8	13.0	0.8	12.5	12.3	0.2	12.0	11.8	0.1
Q3	11.0	13.4	-2.4	12.2	11.4	0.8	9.3	9.4	-0.2
Q4	12.0	10.0	2.1	7.6	7.8	-0.2	7.7	7.4	0.4
Q5	10.2	9.8	0.4	8.7	8.5	0.1	8.5	7.0	1.5
Q6	8.6	10.5	-2.0	9.3	8.8	0.4	9.2	5.6	3.6 ***
Q7	10.3	11.7	-1.4	7.5	8.9	-1.4	8.1	6.0	2.1 *
Q8	9.3	9.9	-0.6	7.7	9.9	-2.2	7.9	7.5	0.4
Q9	10.3	6.7	3.7 **	7.7	7.4	0.3	6.1	6.1	-0.1
Sample size (total = 4,288)	656	653		577	586		904	912	

SOURCE: MDRC calculations from Texas administrative records.

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table E.6

Year 1 Impacts on UI-Covered Employment and Earnings for Sample Members in the Full Sample[a]

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever employed[b] (%)	72.7	74.0	-1.2	68.7	68.5	0.2	64.7	63.6	1.0
Average quarterly employment (%)	52.4	49.6	2.8	47.4	47.2	0.2	42.9	43.7	-0.8
Employed 4 consecutive quarters (%)	29.8	26.0	3.8 *	23.8	25.6	-1.8	21.5	23.3	-1.8
Earnings ($)	3,986	3,574	412 *	4,264	4,295	-31	3,854	3,935	-81
Earned over $10,000 (%)	11.7	10.7	1.0	14.7	15.2	-0.5	12.7	13.9	-1.2
Total income[c] ($)	7,916	7,396	520 **	8,321	8,070	251	7,951	7,867	83
Sample size (total = 5,236)	867	854		777	786		971	981	

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

NOTES: See Appendix B.

[a]Corpus Christi and Fort Worth report sample members were randomly assigned from October 2000 to June 2002, and early cohort members for both of these sites were randomly assigned from October 2000 to June 2001. Houston report sample members were randomly assigned from March 2001 to June 2002, and early cohort members for this site were randomly assigned from March to June 2001.

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

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

The Employment Retention and Advancement Project

Appendix Table E.7

Years 1-2, Impacts on TANF Receipt and Payments

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impacts)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impacts)	Houston ERA Group	Houston Control Group	Houston Difference (Impacts)
Ever received TANF (%)									
Quarter of random assignment	67.7	68.3	-0.7	67.1	67.4	-0.3	72.9	69.6	3.3 *
Q2	79.3	76.2	3.1	75.0	75.0	0.0	81.4	79.5	1.8
Q3	65.9	65.9	0.0	66.1	65.6	0.5	70.6	69.0	1.6
Q4	46.7	46.4	0.3	49.2	52.3	-3.1	55.3	53.0	2.3
Q5	39.5	41.4	-1.9	46.8	47.8	-0.9	50.9	47.7	3.1
Q6	33.1	38.9	-5.8 **	43.6	43.9	-0.3	46.5	43.8	2.6
Q7	30.4	35.1	-4.7 *	39.0	40.1	-1.1	44.6	41.7	2.9
Q8	28.0	31.9	-3.9	37.5	39.1	-1.6	42.7	38.2	4.5 *
Q9	27.2	29.6	-2.4	37.1	36.8	0.3	40.7	36.6	4.1
Amount of TANF received ($)									
Quarter of random assignment	224	230	-5	246	248	-2	257	244	13
Q2	408	389	18	402	401	1	448	434	14
Q3	283	282	2	301	307	-6	327	311	16
Q4	212	212	0	242	253	-11	262	250	12
Q5	168	178	-10	222	218	4	237	215	21 *
Q6	155	174	-18	209	203	6	240	221	20
Q7	139	154	-15	180	198	-18	215	201	14
Q8	120	138	-18	183	184	-1	210	178	31 **
Q9	110	130	-20	163	162	1	209	176	33 **
Sample size (total = 4,288)	656	653		577	586		904	912	

SOURCE: MDRC calculations from Texas administrative records.

NOTES: See Appendix B.

The Employment Retention and Advancement Project

Appendix Table E.8

Years 1-2, Impacts on Food Stamp Receipt and Payments

Texas

Outcome	Corpus Christi ERA Group	Corpus Christi Control Group	Corpus Christi Difference (Impacts)	Fort Worth ERA Group	Fort Worth Control Group	Fort Worth Difference (Impacts)	Houston ERA Group	Houston Control Group	Houston Difference (Impacts)
Ever received food stamps (%)									
Quarter of random assignment	95.1	95.2	-0.1	91.6	90.9	0.8	91.0	92.0	-1.0
Q2	91.1	90.2	0.9	86.9	84.6	2.4	85.5	87.0	-1.5
Q3	84.0	83.9	0.2	79.4	78.8	0.6	78.5	79.7	-1.2
Q4	79.6	78.2	1.3	70.3	71.9	-1.6	73.8	73.1	0.7
Q5	76.2	78.4	-2.2	70.9	70.9	0.0	73.5	72.2	1.3
Q6	73.4	76.5	-3.1	68.5	68.5	0.0	72.3	70.2	2.2
Q7	72.7	73.9	-1.2	69.7	68.4	1.3	71.4	71.1	0.2
Q8	71.4	74.4	-3.0	68.1	65.1	3.0	69.7	69.9	-0.2
Q9	73.0	75.5	-2.5	66.5	64.6	2.0	68.3	70.0	-1.7
Amount of food stamps received ($)									
Quarter of random assignment	690	696	-6	687	670	17	742	732	10
Q2	777	765	11	791	770	21	791	786	4
Q3	672	669	3	658	653	5	688	679	9
Q4	663	657	5	639	628	11	655	643	12
Q5	640	680	-40 *	630	602	28	649	624	25
Q6	615	657	-42 *	633	601	32	663	645	17
Q7	632	655	-23	634	612	22	655	675	-21
Q8	611	658	-48 *	623	583	40	680	644	36
Q9	622	669	-47	631	576	55	682	658	24
Sample size (total = 4,288)	656	653		577	586		904	912	

SOURCE: MDRC calculations from Texas administrative records.

NOTES: See Appendix B.

The Employment Retention and Advancement Project

Appendix Table E.9

Years 1-2, Impacts on UI-Covered Employment and Earnings Based on Length of Employment History in the Three Years Prior to Random Assignment

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Employed at least 24 months									
Ever employed (%)	92.9	90.0	2.9	90.9	81.2	9.8 **	88.8	82.4	6.4 *
Average quarterly employment (%)	68.7	60.7	8.0 **	62.8	56.4	6.4	56.3	53.4	2.9
Employed 8 consecutive quarters (%)	35.5	28.2	7.3	21.5	21.7	-0.2	21.0	20.7	0.3
Earnings ($)	13,766	12,042	1,724	15,807	12,646	3,161 *	13,567	12,732	835
Earned over $20,000 (%)	26.5	21.6	4.9	30.9	22.2	8.7 *	24.9	24.0	0.9
Sample size (total = 1,032)	162	176		151	150		189	204	
Employed 13-24 months									
Ever employed (%)	86.5	90.8	-4.4	81.7	83.6	-1.8	75.9	77.7	-1.8
Average quarterly employment (%)	60.9	59.6	1.3	53.3	53.4	-0.1	46.7	52.2	-5.5
Employed 8 consecutive quarters (%)	20.1	26.1	-6.0	16.5	20.8	-4.3	16.6	19.5	-3.0
Earnings ($)	9,628	10,238	-610	11,260	10,210	1,051	8,886	10,680	-1,794
Earned over $20,000 (%)	16.6	17.2	-0.6	22.7	18.3	4.4	19.8	18.9	0.9
Sample size (total = 865)	146	133		111	114		184	177	

(continued)

Appendix Table E.9 (continued)

Outcome	Corpus Christi			Fort Worth			Houston		
	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Employed 1-12 months									
Ever employed (%)	80.9	84.6	-3.7	83.5	79.2	4.3	71.3	71.3	0.1
Average quarterly employment (%)	49.2	47.4	1.8	44.7	45.7	-1.1	39.4	37.7	1.8
Employed 8 consecutive quarters (%)	14.8	12.5	2.3	11.7	13.8	-2.1	10.1	10.4	-0.3
Earnings ($)	6,415	6,172	243	7,142	8,438	-1,295	6,871	6,310	561
Earned over $20,000 (%)	6.7	5.3	1.4	9.7	11.4	-1.7	11.0	10.5	0.5
Sample size (total = 1,746)	251	247		221	233		390	404	
Never employed									
Ever employed (%)	62.9	66.1	-3.2	53.5	49.2	4.3	47.3	53.5	-6.2
Average quarterly employment (%)	25.0	28.8	-3.8	26.2	20.3	5.9	25.3	27.0	-1.6
Employed 8 consecutive quarters (%)	1.8	4.5	-2.7	10.1	3.5	6.6	5.7	8.3	-2.6
Earnings ($)	3,296	3,494	-199	4,740	3,018	1,722	3,976	4,336	-359
Earned over $20,000 (%)	5.0	3.5	1.5	9.0	3.5	5.5	6.2	4.6	1.6
Sample size (total = 619)	93	96		91	80		137	122	

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

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table E.10

Years 1-2, Impacts on UI-Covered Employment and Earnings

Corpus Christi and Fort Worth, Texas

Outcome	ERA Group	Control Group	Difference (Impact)
Years 1-2			
Ever employed (%)	81.7	80.7	1.0
Average quarterly employment (%)	51.2	48.5	2.7 **
Employed 4 consecutive quarters (%)	47.0	43.2	3.8 **
Earnings ($)	9,147	8,634	513
Earned over $20,000 (%)	15.5	13.1	2.4 *
Year 1			
Ever employed (%)	71.6	70.7	0.9
Average quarterly employment (%)	51.4	48.5	2.9 *
Employed 4 consecutive quarters (%)	28.8	25.9	2.8 *
Earnings ($)	4,177	3,919	258
Earned over $10,000 (%)	13.5	12.9	0.6
Year 2			
Ever employed (%)	70.1	66.6	3.4 *
Average quarterly employment (%)	51.0	48.5	2.5 *
Employed 4 consecutive quarters (%)	30.9	30.4	0.5
Earnings ($)	4,970	4,715	255
Earned over $10,000 (%)	19.5	18.1	1.3
Last quarter of Year 2			
Ever employed (%)	51.6	46.8	4.8 **
Total earnings ($)	1,316	1,184	132 *
Earned $2,500 or more (%)	22.4	20.0	2.4
Earned between $500 and $2,499 (%)	20.1	19.9	0.2
Earned between $1 and $499 (%)	9.1	7.0	2.2 **
Sample size (total = 2,470)	1,232	1,238	

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

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table E.11

Years 1-2, Impacts on UI-Covered Employment and Earnings

Texas (All Sites)

Outcome	ERA Group	Control Group	Difference (Impact)
Years 1-2			
Ever employed[a] (%)	77.8	77.0	0.8
Average quarterly employment (%)	47.5	45.8	1.7 *
Employed 4 consecutive quarters (%)	42.8	40.3	2.6 *
Earnings ($)	8,757	8,510	247
Earned over $20,000 (%)	15.1	13.8	1.4
Year 1			
Ever employed (%)	68.4	67.6	0.8
Average quarterly employment (%)	47.6	46.4	1.2
Employed 4 consecutive quarters (%)	25.6	24.7	0.9
Earnings ($)	4,006	3,902	104
Earned over $10,000 (%)	13.1	13.3	-0.2
Year 2			
Ever employed (%)	65.6	62.8	2.8 **
Average quarterly employment (%)	47.5	45.3	2.3 *
Employed 4 consecutive quarters (%)	28.6	27.8	0.7
Earnings ($)	4,751	4,608	143
Earned over $10,000 (%)	18.5	17.7	0.8
Last quarter of Year 2			
Ever employed (%)	46.7	44.6	2.1
Total earnings ($)	1,217	1,183	33
Earned $2,500 or more (%)	20.5	20.4	0.1
Earned between $500 and $2,499 (%)	18.4	17.6	0.7
Earned between $1 and $499 (%)	7.9	6.6	1.2
Sample size (total = 4,288)	2,137	2,151	

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

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table E.12

Selected Characteristics of Texas ERA Sample Members[a]

Characteristic	ERA Group	Control Group	Total
Gender (%)			
Male	3.1	3.4	3.3
Female	96.9	96.6	96.7
Average age (years)	28.4	28.2	28.3
U.S. citizen			
Yes	97.9	97.8	97.9
No	2.1	2.2	2.1
Limited English			
Yes	2.6	2.2	2.4
No	97.4	97.8	97.6
Race/ethnicity			
White, non-Hispanic	14.6	14.4	14.5
Black, non-Hispanic	47.7	47.0	47.3
American Indian/Alaska native	0.1	0.0	0.1
Hispanic	36.6	37.2	36.9
Asian/Pacific Islander	0.3	0.3	0.3
Other race	0.7	1.0	0.9
Education			
GED	15.3	15.5	15.4
High school diploma	30.2	27.1	28.7
Technical/Associate's degree/2-year college	3.2	3.3	3.2
4 year (or more) college	0.6	0.9	0.7
None of the above	50.7	53.2	52.0
Current cash assistance status			
Applicant	83.2	83.2	83.2
Recipient	16.8	16.8	16.8
Registration status			
Mandatory	75.7	75.2	75.5
Exempt	24.3	24.8	24.5

(continued)

Appendix Table E.12 (continued)

Characteristic	ERA Group	Control Group	Total
Total prior AFDC/TANF receipt (%)			
None	35.9	35.6	35.7
Less than 3 months	7.4	7.8	7.6
3 months or more and less than 2 years	36.8	38.3	37.5
2 years or more and less than 5 years	11.5	10.7	11.1
5 years or more and less than 10 years	6.1	5.6	5.8
10 years or more	2.3	2.0	2.2
Months employed in last 3 years			
Did not work	15.1	14.0	14.5
6 or less	21.8	20.9	21.4
7 to 12	18.8	20.5	19.6
13 to 24	20.7	19.9	20.3
More than 24	23.6	24.8	24.2
Type of employment in last 3 years (among those who worked) (%)			
Mostly part time	24.2	23.7	23.9
Mostly full time	65.2	64.1	64.6
Equal amounts part time and full time	10.6	12.2	11.4
Currently employed (%)			
Yes	6.5	7.2	6.9
No	93.5	92.8	93.1
Hours worked per week (among those currently employed) (%)			
10 or less	10.4	6.7	8.5
11 to 20	28.0	24.4	26.2
21 to 40	41.6	39.3	40.4
More than 40	20.0	29.6	25.0
Average hourly wage (among those currently employed) ($)	6.73	6.43	6.57
Number of children			
0	0.9	1.1	1.0
1	39.9	40.0	39.9
2	28.2	30.9	29.6
3 or more	30.9	28.0	29.5
Sample size (total = 4,288)	2,137	2,151	

SOURCE: Texas baseline information sheets.

NOTE: Tests of statistical significance across the research groups were performed. No differences were statistically signficant.

[a]This table includes single-parent ERA sample members only. Two-parent families are not included.

The Employment Retention and Advancement Project

Appendix Table E.13

Years 1-2, Impacts on UI-Covered Employment and Earnings for Sample Members, Among Those Mandatory with Mandatory Registration Status

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Total earnings ($)	8,911	8,401	510	9,510	8,912	598	8,676	8,504	172
Ever employed[a] (%)	84.7	86.6	-1.9	81.9	75.9	6.0 **	73.7	71.8	1.9
Average quarterly employment (%)	54.5	51.2	3.2	48.4	45.7	2.7	43.7	42.5	1.2
Number of quarters employed	4.4	4.1	0.3	3.9	3.7	0.2	3.5	3.4	0.1
Employed 4 consecutive quarters (%)	51.2	45.6	5.7 *	44.4	39.8	4.5	38.4	37.3	1.1
Earned over $20,000 (%)	14.7	12.0	2.6	17.1	13.2	3.9 *	15.5	14.9	0.6
Sample size (total = 3,236)	476	483		446	432		696	703	

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

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table E.14

Years 1-2, Impacts on Employment and Earnings Among Subgroups Defined by Previous Work Experience and Educational Attainment

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
High school diploma/GED and employed in prior year									
Ever employed (%)	91.8	90.7	1.1	90.4	86.0	4.4	84.5	79.1	5.3 *
Average quarterly employment (%)	64.3	60.5	3.8	61.0	58.6	2.4	56.8	52.9	3.8
Employed 8 consecutive quarters (%)	28.0	24.4	3.6	22.6	25.0	-2.4	20.3	21.7	-1.5
Sample size (total = 1,563)	241	228		249	235		306	304	
No high school diploma/GED and unemployed in prior year									
Ever employed (%)	60.5	68.1	-7.6	52.4	55.9	-3.5	45.0	49.5	-4.6
Average quarterly employment (%)	28.9	31.8	-2.9	23.6	26.6	-3.0	21.9	22.5	-0.6
Employed 8 consecutive quarters (%)	4.5	3.1	1.4	6.3	6.7	-0.4	4.5	5.5	-1.0
Sample size (total = 728)	102	112		72	81		192	169	

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

NOTES: See Appendix B.

The Employment Retention and Advancement Project

Appendix Table E.15

Years 1-2, Impacts on UI-Covered Employment and Earnings for Sample Members in the Full Sample (Without Regression Adjustment)

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Ever employed (%)	82.7	84.4	-1.6	80.3	76.8	3.5	72.3	72.3	0.0
Average quarterly employment (%)	53.2	50.6	2.7	48.2	46.8	1.4	42.5	42.3	0.2
Employed 8 consecutive quarters (%)	19.1	18.4	0.7	14.9	16.0	-1.2	13.2	14.0	-0.9
Earnings ($)	8,453	8,234	219	9,896	9,114	782	8,216	8,352	-136
Earned over $20,000 (%)	13.3	12.1	1.2	18.0	14.2	3.8 *	14.8	14.6	0.2
Sample size (total = 4,288)	654	652		578	586		905	913	

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

NOTES: Impacts were not regression adjusted.

Rounding may cause slight discrepancies in calculating sums and differences.

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

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

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

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

Unless otherwise stated, results are for sample members randomly assigned from October 2000 to June 2002.

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

The Employment Retention and Advancement Project

Appendix Table E.16

Years 1-2, Impacts on Employment and Earnings Among Subgroups Defined by UI-Covered Employment in Prior Year

Texas

	Corpus Christi			Fort Worth			Houston		
Outcome	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)	ERA Group	Control Group	Difference (Impact)
Employed in the prior year									
Total earnings ($)	9,852	9,003	849	11,052	10,665	387	9,944	10,047	-102
Ever employed (%)	89.8	90.0	-0.2	89.0	83.6	5.4 **	82.7	80.5	2.1
Average quarterly employment (%)	61.5	56.1	5.3 **	56.0	52.8	3.1	50.6	49.3	1.3
Number of quarters employed	4.9	4.5	0.4 **	4.5	4.2	0.3	4.0	3.9	0.1
Employed 4 consecutive quarters (%)	57.1	51.5	5.6 *	52.9	48.3	4.6	44.4	42.9	1.5
Earned over $20,000 (%)	15.5	12.7	2.8	20.0	16.8	3.2	18.0	17.7	0.4
Sample size (total = 3,067)	479	463		419	446		619	641	
Not employed in the prior year									
Total earnings ($)	5,524	5,519	5	5,912	5,237	675	4,817	3,997	821
Ever employed (%)	63.7	70.1	-6.4	56.3	56.0	0.3	50.2	52.4	-2.3
Average quarterly employment (%)	32.5	35.1	-2.5	26.9	28.6	-1.7	25.5	25.3	0.3
Number of quarters employed	2.6	2.8	-0.2	2.2	2.3	-0.1	2.0	2.0	0.0
Employed 4 consecutive quarters (%)	28.1	27.4	0.7	20.7	22.2	-1.6	21.9	20.4	1.6
Earned over $20,000 (%)	10.4	7.8	2.6	10.5	8.1	2.4	7.7	7.3	0.4
Sample size (total = 1,221)	175	189		159	140		286	272	

(continued)

Appendix Table E.16 (continued)

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

NOTES: See Appendix B.

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

The Employment Retention and Advancement Project

Appendix Table E.17

Most Common Industries/Occupations Among the Currently Employed

Cluster	ERA Members Employed (%)	Average Weekly Pay ($)	Average Hourly Pay ($)	Good Job (%)	Full-Time Job (%)
Job/occupation					
Office and administrative support	19.0	305	8.08	48.0	87.0
Food preparation and serving-related	16.0	230	6.63	20.0	78.0
Sales and sales-related	15.0	209	6.30	6.0	73.0
Health care support	11.0	244	7.81	33.0	58.0
Personal care and service	10.0	110	3.88	6.0	59.0
Business/industry					
Health care and social assistance	27.0	230	6.85	28.0	67.0
Accommodation and food services	17.0	212	6.09	9.0	79.0
Retail trade of motor vehicles and parts, furniture and home furnishings	9.0	218	6.65	10.0	60.0
Other services (except public administration)	8.0	231	6.65	23.0	77.0
Retail trade of sport goods, hobbies, books, music, or general merchandise	5.0	242	7.45	19.0	81.0

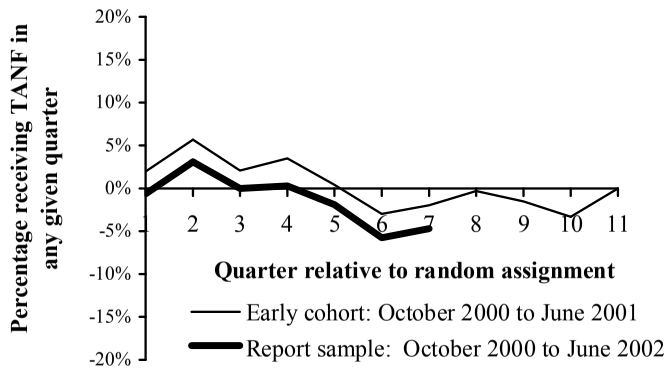
The Employment Retention and Advancement Project

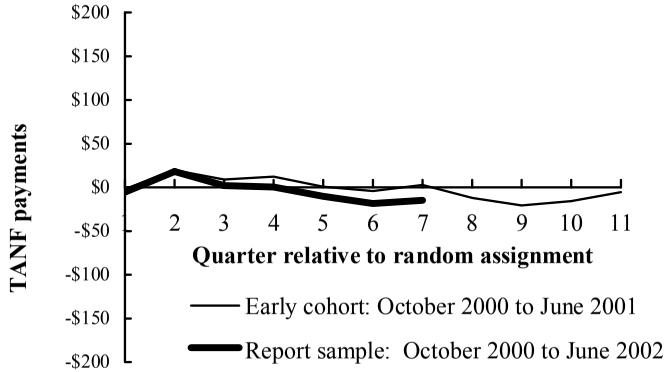
Appendix Figure E.1

Impacts on TANF Payments and TANF Receipt Rates for the Report Sample and Early Cohort Over Time

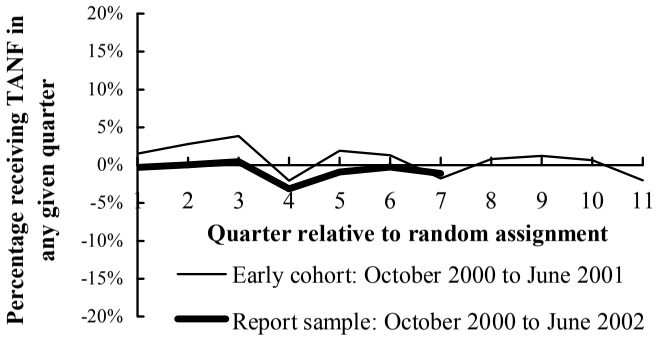
Texas

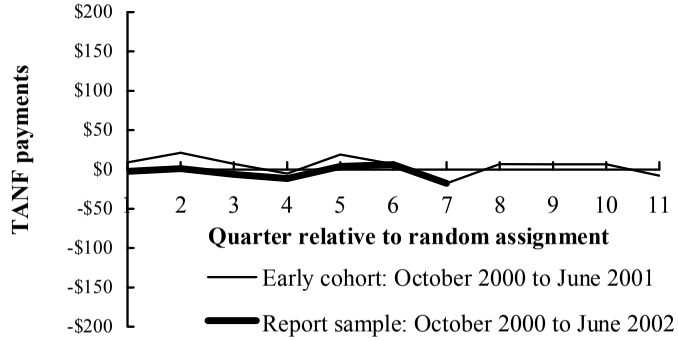
Corpus Christi





Fort Worth

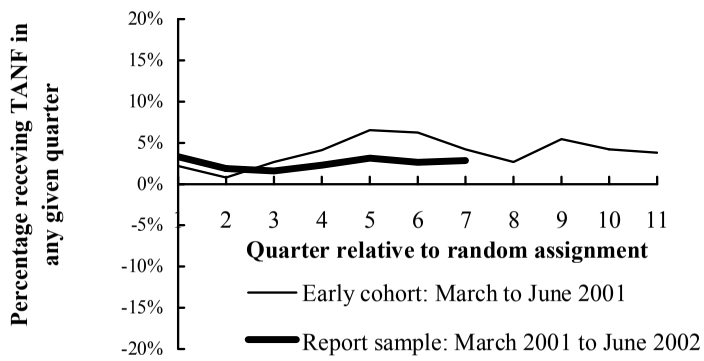


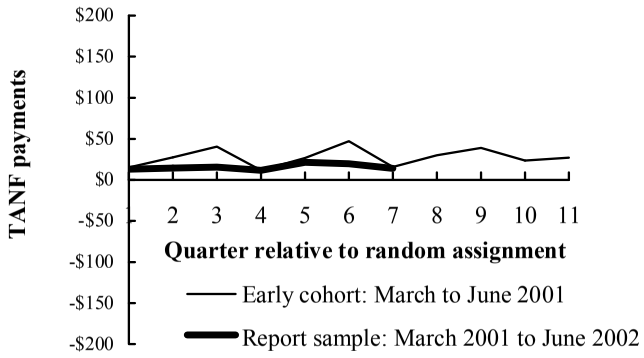


(continued)

Appendix Figure E.1 (continued)

Houston



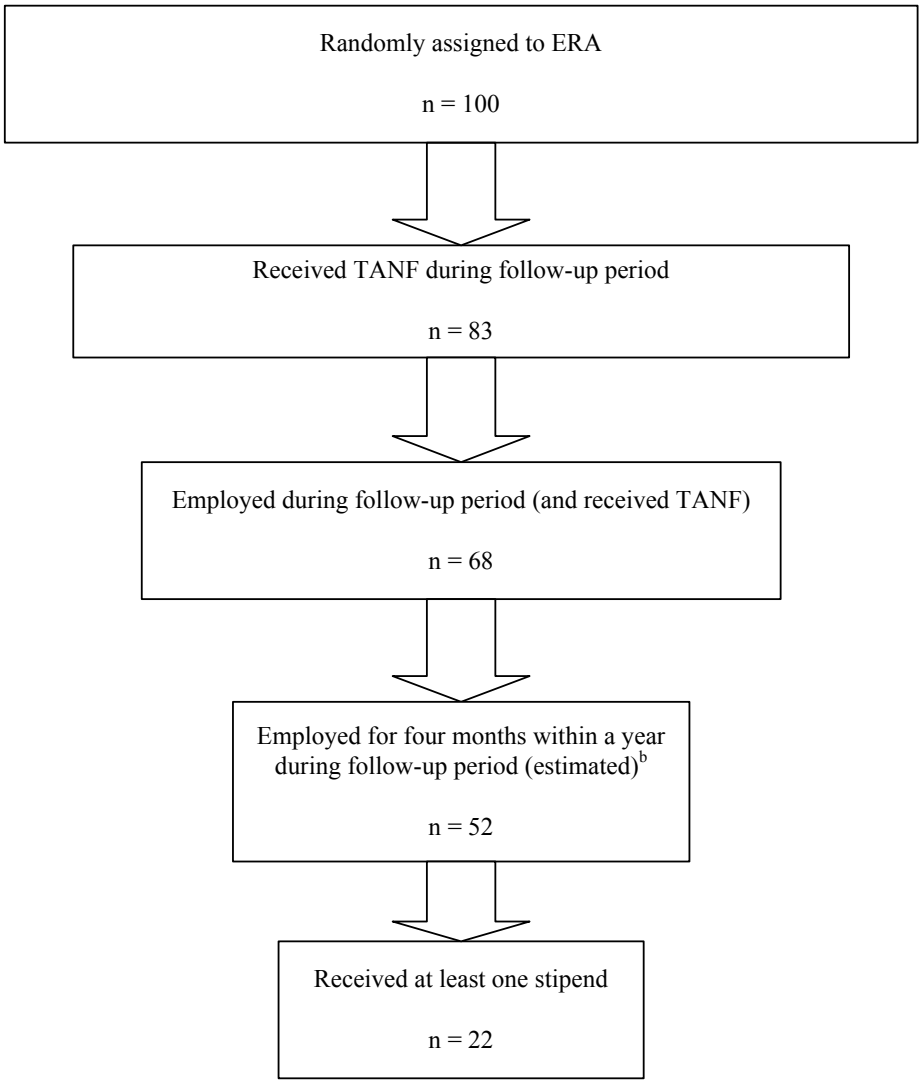


SOURCES: MDRC calculations from UI, TANF, and food stamps administrative records from the State of Texas.

The Employment Retention and Advancement Project

Appendix Figure E.2

Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Fort Worth[a]



SOURCES: MDRC calculations from UI administrative records from the State of Texas and ERA program tracking data.

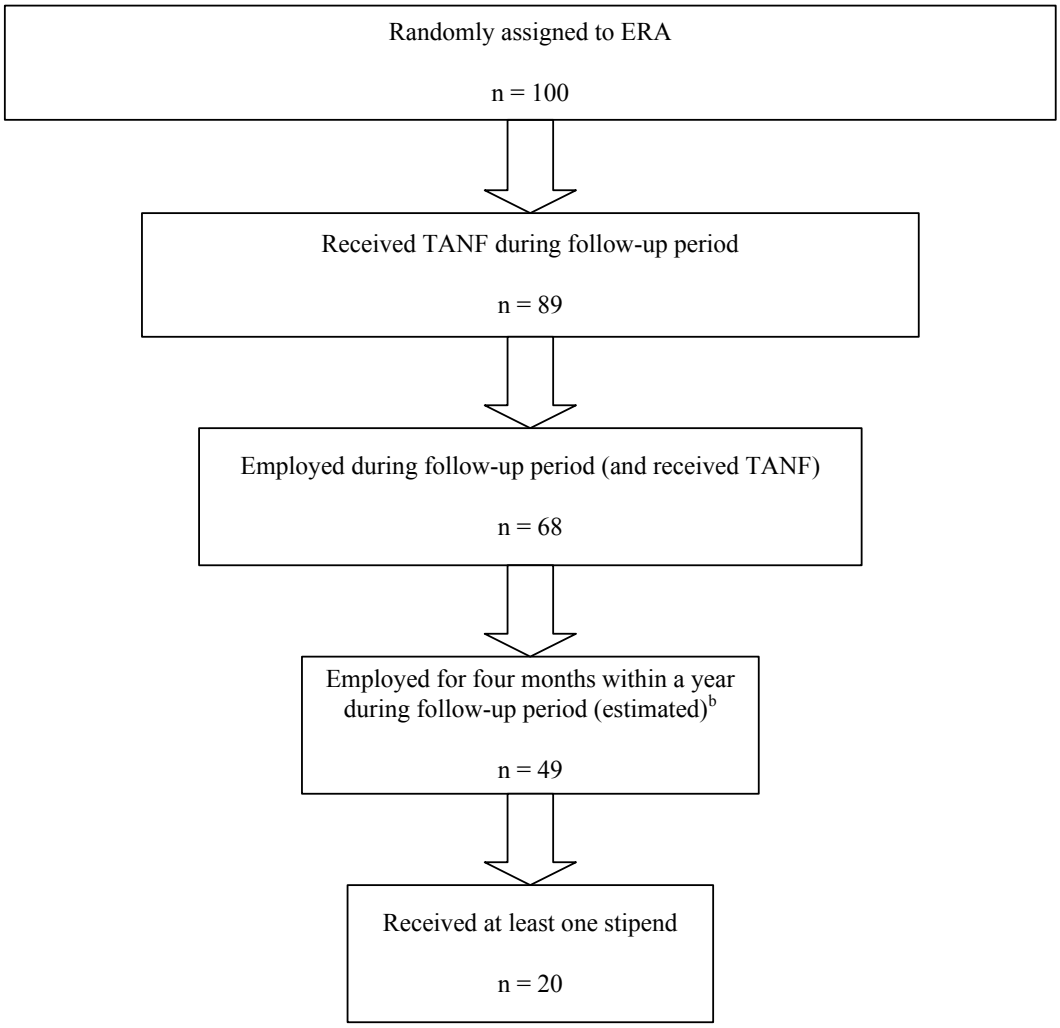
NOTES: [a]Among all ERA group members randomly assigned from October 2000 through January 2003.

[b]The proportion of individuals who worked for four months and thereby completed the earnings disregard period was estimated using UI records. Individuals were determined to have worked for four months if they were employed for two consecutive quarters within a year and had total earnings of more than $2,400 during this period (this is the equivalent of working 20 hours per week for four months at $7 per hour).

The Employment Retention and Advancement Project

Appendix Figure E.3

Estimated Eligibility for and Use of the ERA Stipend Among 100 TANF Applicants and Recipients in Houston[a]



SOURCES: MDRC calculations from UI administrative records from the State of Texas and ERA program tracking data.

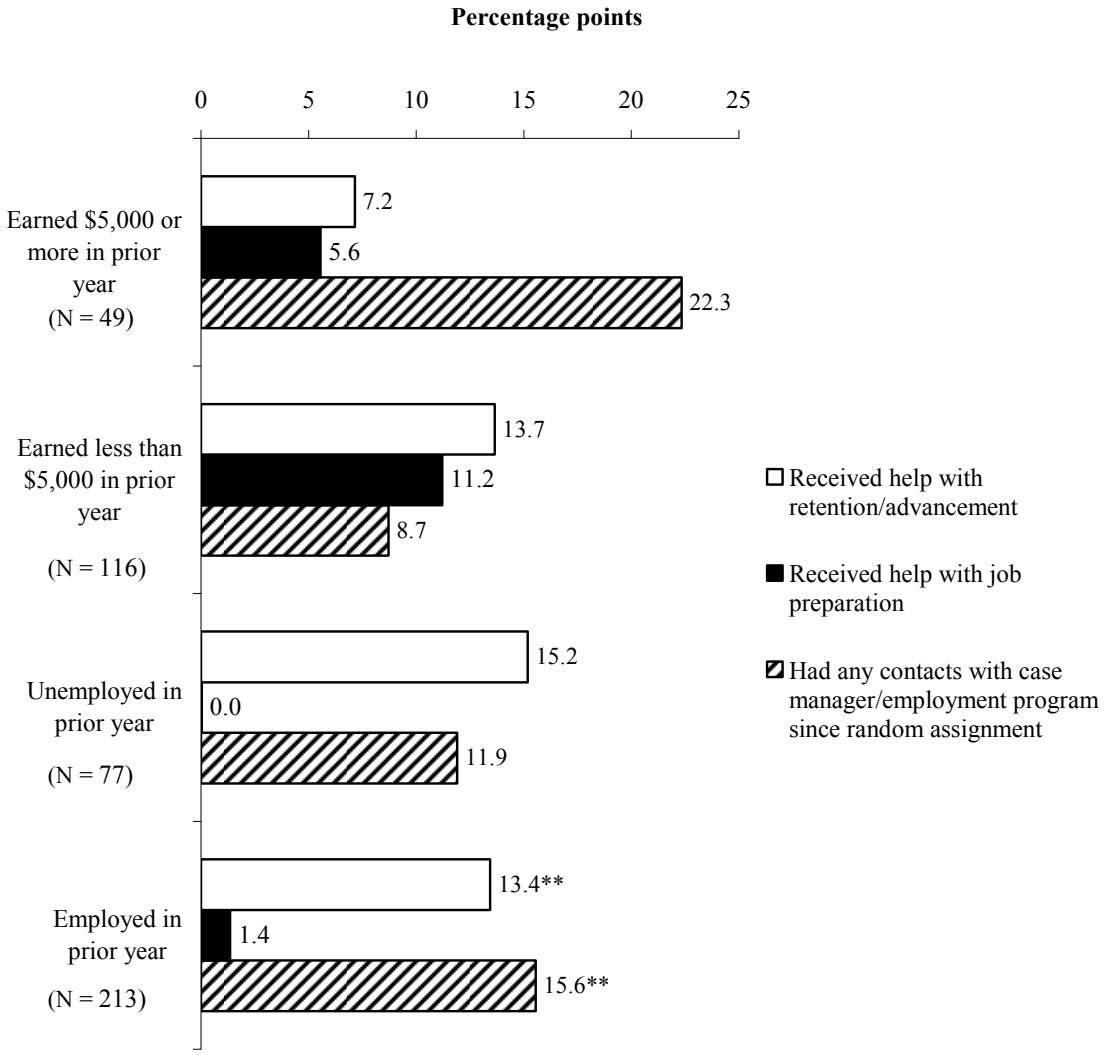
NOTES: [a]Among all ERA group members randomly assigned from October 2000 through January 2003.

[b]The proportion of individuals who worked for four months and thereby completed the earnings disregard period was estimated using UI records. Individuals were determined to have worked for four months if they were employed for two consecutive quarters within a year and had total earnings of more than $2,400 during this period (this is the equivalent of working 20 hours per week for four months at $7 per hour).

The Employment Retention and Advancement Project

Appendix Figure E.4

Impacts on Program Participation for Key Subgroups in Corpus Christi Texas



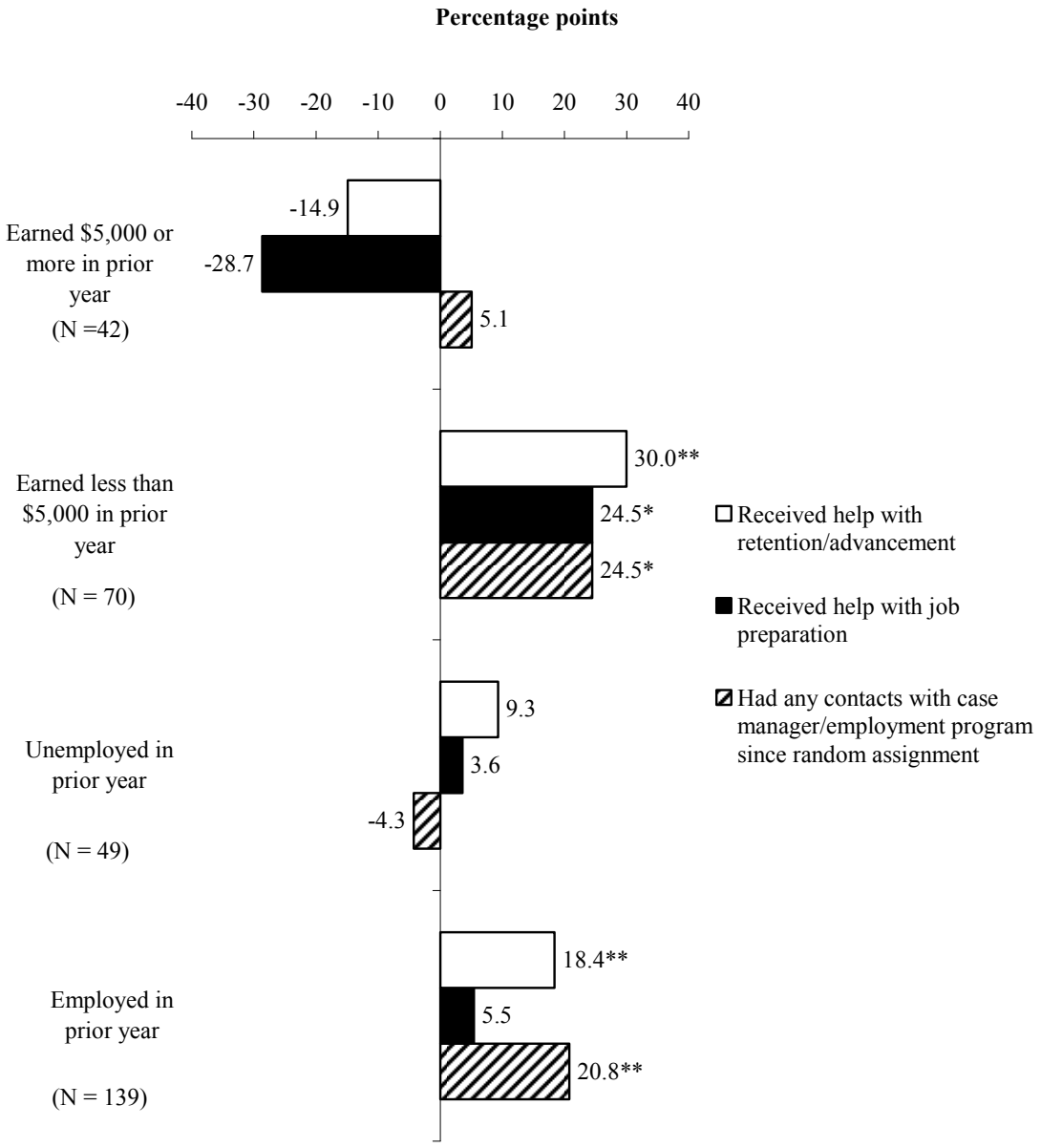
SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

The Employment Retention and Advancement Project

Appendix Figure E.5

Impacts on Program Participation for Key Subgroups in Fort Worth Texas



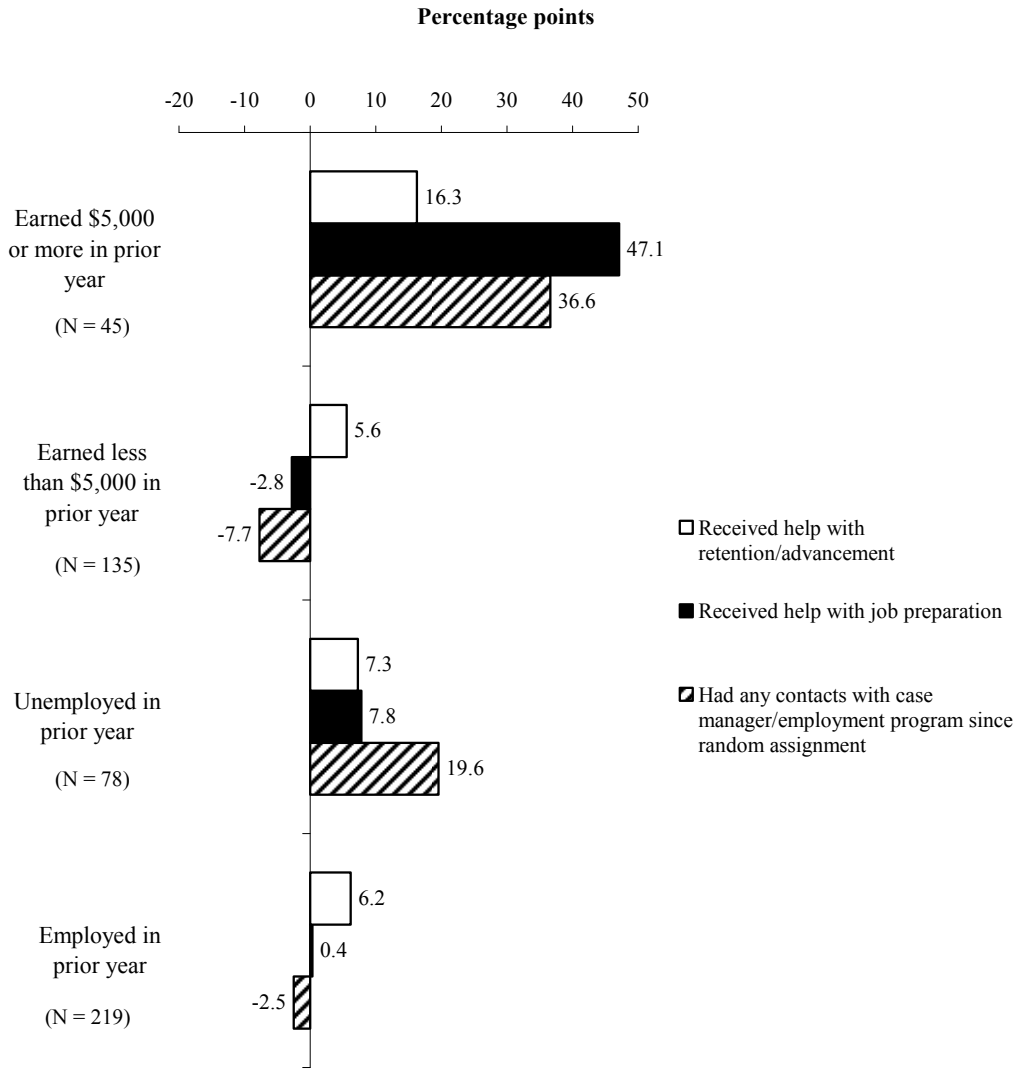
SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

NOTES: See Appendix D.

The Employment Retention and Advancement Project

Appendix Figure E.6

Impacts on Program Participation for Key Subgroups in Houston Texas



SOURCE: MDRC calculations from responses to the ERA 12-Month Survey.

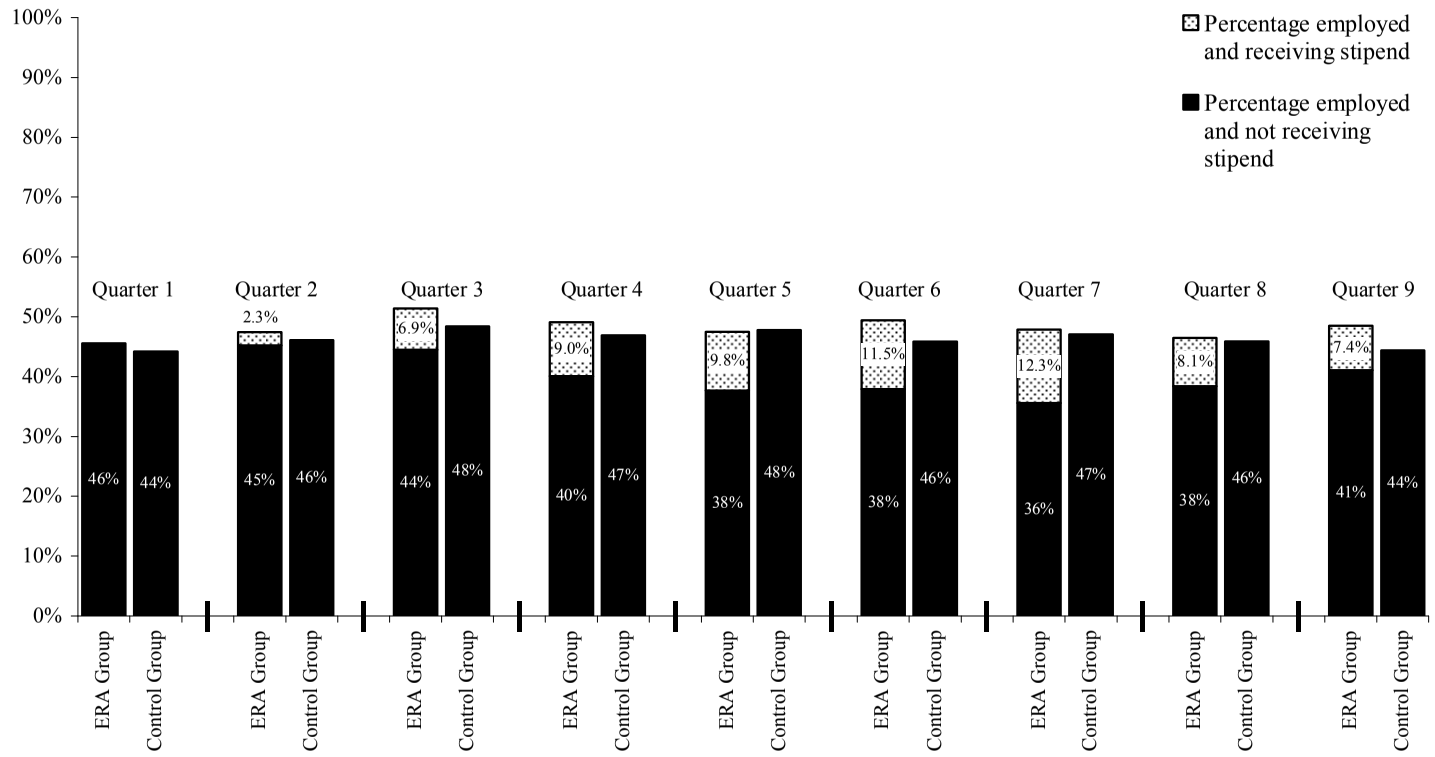
NOTES: See Appendix D.

The Employment Retention and Advancement Project

Appendix Figure E.7

Percentage Employed According to UI Records and Receiving the ERA Stipend

Fort Worth



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

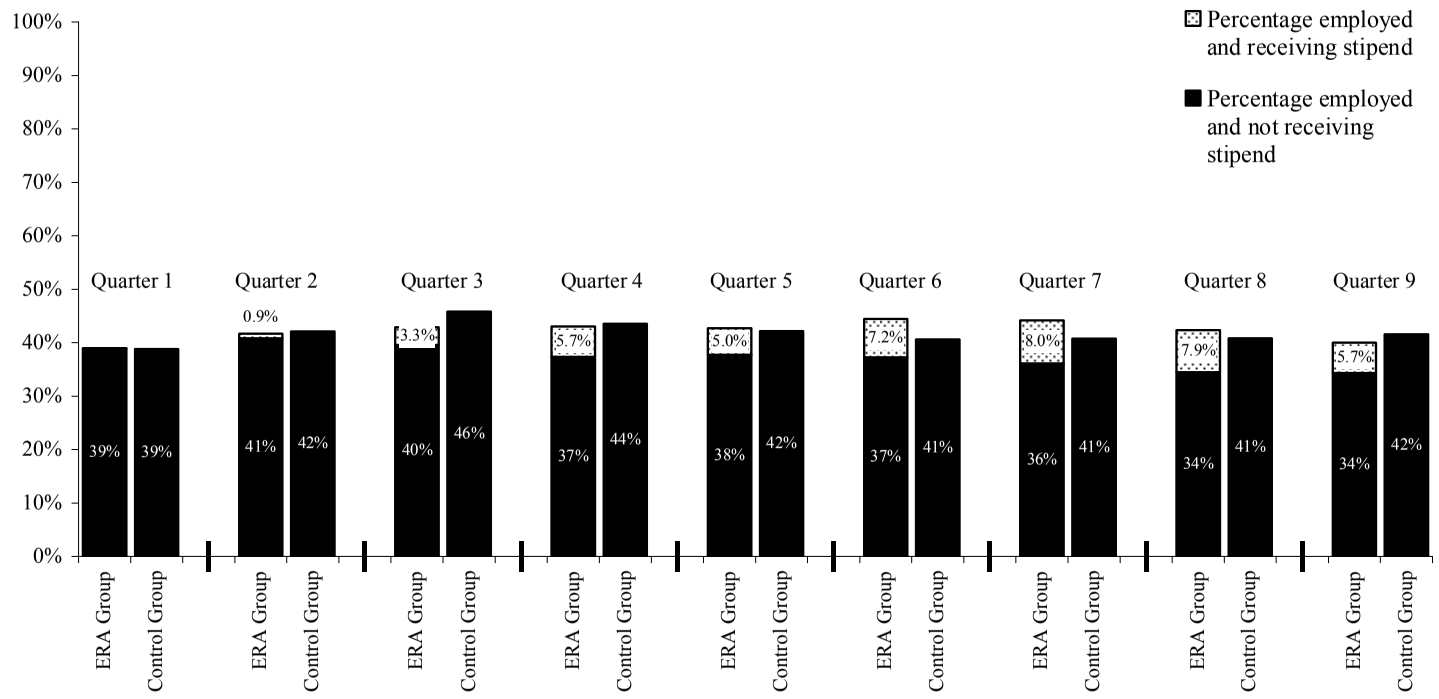
NOTES: See Appendix B.

The Employment Retention and Advancement Project

Appendix Figure E.8

Percentage Employed According to UI Records and Receiving the ERA Stipend

Houston



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

NOTES: See Appendix B.

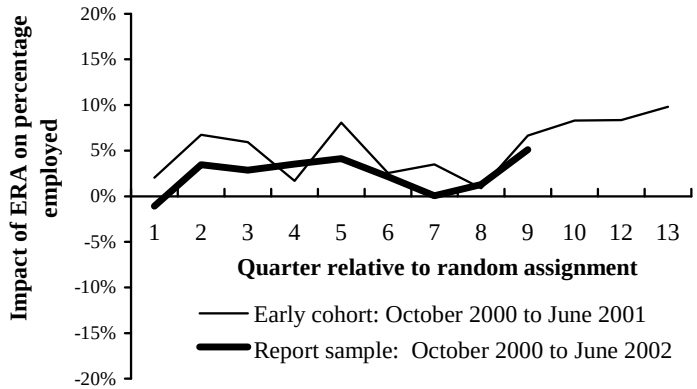
The Employment Retention and Advancement Project

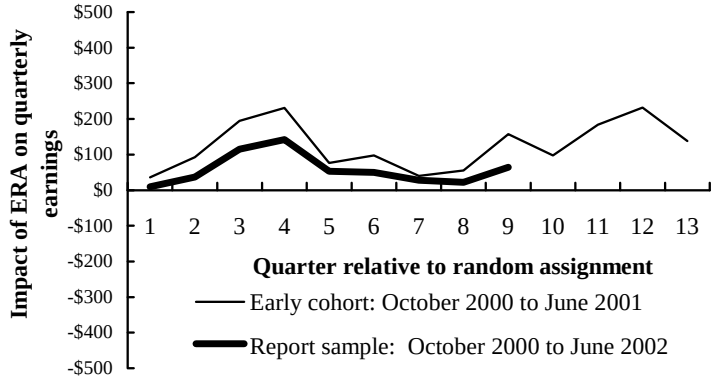
Appendix Figure E.9

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

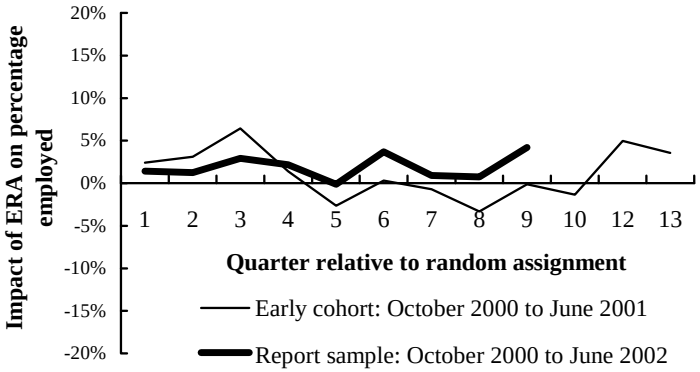
Texas

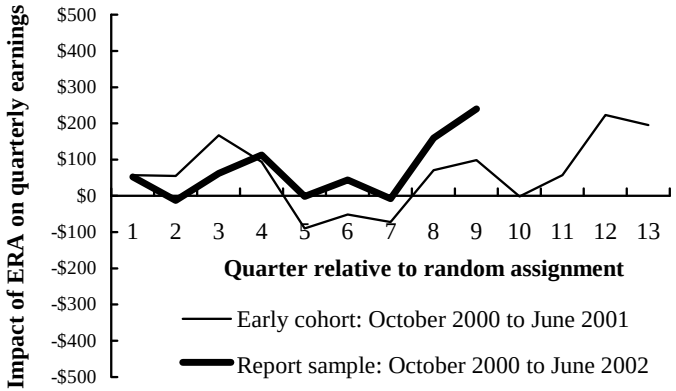
Corpus Christi





Fort Worth

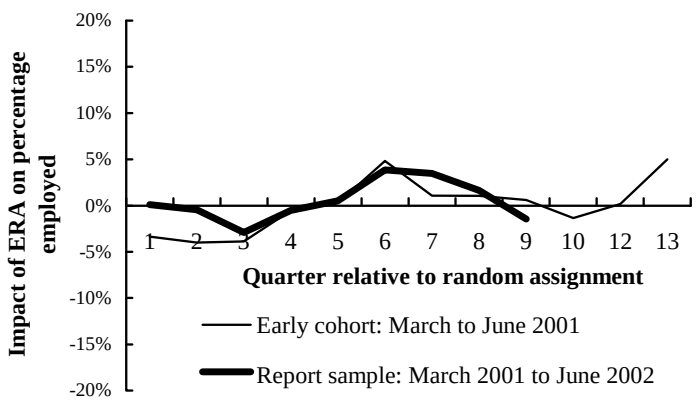


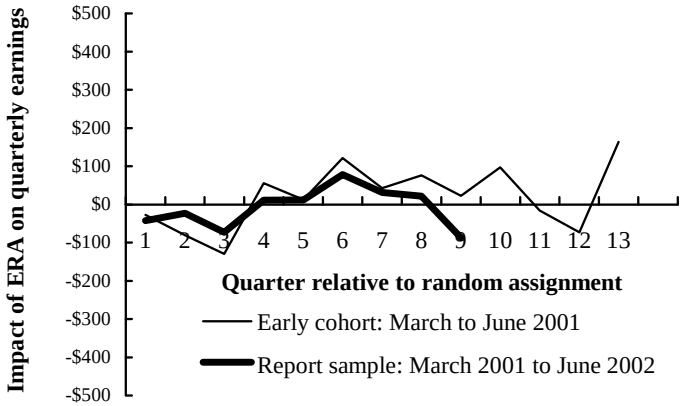


(continued)

Appendix Figure E.9 (continued)

Houston





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

NOTES: See Appendix B.

Appendix F

Texas ERA 12-Month Survey Response Analysis

Corpus Christi Survey Response Analysis

This section of the appendix assesses the reliability of impact results from the one-year survey of the Employment Retention and Advancement (ERA) evaluation in Corpus Christi, Texas. It examines whether the impacts for respondents to the ERA 12-Month Survey can be generalized to the impacts for the report sample in Corpus Christi. After introducing how the survey sample was selected, it discusses the response rates for survey sample members and for sample members in the research groups. It also examines the differences in background characteristics between survey respondents and nonrespondents and between research groups among survey respondents. Finally, this section compares the impacts across the survey sample and the report sample in Corpus Christi on measures created from the administrative records.

Survey Selection in Corpus Christi

The report sample in Corpus Christi includes 1,309 sample members who were randomly assigned to the ERA group (N = 656) or to the control group (N = 653) from October 2000 through June 2002.

A two-step process was used to select the ERA 12-Month Survey sample in Corpus Christi. First, the *survey-eligible sample* was selected. This sample includes 357 sample members who met the survey eligibility criteria. Research sample members who were randomly assigned from January through June 2002, who were age 18 or older, who were in a single-parent family, and who spoke either English or Spanish were eligible for the survey. It is particularly notable that the survey sample was drawn from a narrow 6-month segment of the sample intake period; this raises concerns about the generalizability of results to the full report sample (which covered a 26-month period in Corpus Christi).

In Corpus Christi, all sample members who were eligible for the survey were selected to be interviewed. The interview sample is referred to as the *fielded survey sample* and is split equally between members of the ERA group (N = 180) and members of the control group (N = 177). Box F.1 describes the key analysis samples in Corpus Christi.

Survey Response Rates in Corpus Christi

Sample members who were interviewed for the ERA 12-Month Survey are referred to as survey *respondents,* while sample members who were not interviewed are known as *nonrespondents.*

Although the overall response rate in Corpus Christi was 82 percent, nonresponse bias may occur whenever the response rate is below 100 percent, because there may be differences

in the average background characteristics of the respondent sample and the fielded sample. The response rate was slightly lower among the ERA group (78 percent) than among the control group (85 percent).[1]

The primary reasons that some sample members in Corpus Christi were not interviewed (N = 67) are that they could not be located (N = 54), they refused to be interviewed (N = 9), they were incapacitated (N = 3), or they were ineligible to be surveyed (N = 1).

Box F.1

Key Analysis Samples in Corpus Christi

Research sample. Sample members who were randomly assigned during the sample intake period, which started in October 2000 and ended in December 2002.

Report sample. Single parents who were randomly assigned from October 2000 through June 2002.

Survey-eligible sample. Sample members in the research sample who were randomly assigned from January through June 2002 and who met the criteria for inclusion in the survey.

Fielded sample. Sample members who were chosen from the survey-eligible sample to be interviewed for the survey. In the case of Corpus Christi, the fielded sample and the survey-eligible sample are the same.

Respondent sample. Sample members in the fielded sample who completed the ERA 12-Month Survey.

Nonrespondent sample. Sample members in the fielded sample who were not interviewed because they were not located or they refused to be interviewed or because of other reasons.

Comparison of Respondents and Nonrespondents Within the Survey Sample: Corpus Christi

This section examines whether there are differences in pre-random assignment characteristics between respondents and nonrespondents within the survey-eligible sample in Corpus Christi. In order to examine differences between those who completed the survey and those who did not, MDRC created an indicator of survey response and related the indicator to pre-random assignment characteristics in a multivariate analysis.

[1]OMB stipulates a response rate of 80 percent.

Appendix Table F.1 shows estimated regression coefficient for the probability of being a respondent in Corpus Christi, based on background characteristics. The first column of the table provides the parameter estimates that indicate the effect of each variable on the probability of completing the survey. The stars (asterisks) and p-values show whether the relationships are statistically significant.

The Employment Retention and Advancement Project

Appendix Table F.1

Estimated Regression Coefficients for the Probability of Being a Respondent on the ERA 12-Month Survey, Corpus Christi

	Survey Sample	
	Parameter Estimate	P-Value
ERA group	-0.054	0.199
Age of the youngest child	-0.001	0.889
Number of children	-0.016	0.442
Black, non-Hispanic	0.074	0.593
White	0.102	0.350
Hispanic	0.132	0.209
No high school diploma or GED	-0.091 **	0.042
Employed in the quarter prior to random assignment	-0.003	0.953
Female	-0.122	0.145
Month of sample intake	0.001	0.956
21-30 years of age	0.021	0.772
31-40 years of age	0.085	0.353
41 years old and over	0.105	0.304
Employed in the prior year	0.055	0.422
Received food stamps in the prior year	0.142 ***	0.004
Earnings in the prior 3 years	0.000	0.413
Number of quarters employed in prior 3 years	0.001	0.947
R-square (0.081)		
F-statistic (1.75)		
P-value of F-statistic (0.033)		
Sample size	357	

SOURCE: MDRC calculations from administrative records from the State of Texas.

NOTE: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix Table F.1 shows that survey respondents and nonrespondents in Corpus Christi were similar at random assignment: Most measures of background characteristics are unable to differentiate between them. However, food stamp receipt in the year prior to random assignment and not having a high school diploma or General Educational Development (GED)

certificate are both statistically significant characteristics in predicting whether someone would complete a survey in Corpus Christi. Survey respondents were more likely to have received food stamps in the year prior to random assignment and to have a high school diploma or GED. It is not surprising to see that food stamp receipt in the year prior to random assignment is a good predictor of survey response. Other recent response analyses have found this relationship as well. This is likely attributable to better and more updated contact information for these sample members. It is less clear why having no high school diploma or GED is statistically significant in predicting survey completion.

At the bottom of Appendix Table F.1, the F-statistic and the p-value of the F-statistic show that the overall difference between survey respondents and nonrespondents in Corpus Christi is statistically significant (p-value = 0.003). Thus, caution should be exercised in generalizing these results to the report sample.

Comparison of the Research Groups in the Survey Respondent Sample: Corpus Christi

The random assignment design essentially eliminates the possibility of selection bias. However, the risk of differences between the background characteristics of ERA and control group members is reintroduced due to the survey sampling and response process. Specifically, if different types of ERA group members respond (compared with control group members), the integrity of the experiment would be compromised for the survey analysis. If this is true to a large extent, the ability to generalize from the respondent sample may be affected.

Appendix Table F.2 shows whether there may be any statistically significant differences in background characteristics between ERA group and control group respondents in Corpus Christi. Overall, there are few differences between them. The main differences are that ERA group respondents at random assignment were younger, had lower earnings, and were more likely to have received food stamps in the prior year.

Comparison of Survey Respondents with the Fielded Sample and the Report Sample: Corpus Christi

This section examines whether impacts among survey respondents in Corpus Christi can be generalized to the fielded sample and the report sample and whether any cohort effects may have been introduced.[2]

[2]The impacts presented in this appendix are statistically significant unless otherwise noted.

The Employment Retention and Advancement Project

Appendix Table F.2

Background Characteristics of Survey Respondents, Corpus Christi

Variable	ERA Group	Control Group	
Female (%)	5.7	8.1	
Race/ethnicity (%)			
Hispanic	73.8	74.3	
Black	5.7	4.7	
White	19.1	17.6	
Other	1.4	3.4	
Age (%)			
20 or younger	12.1	8.7	*
21-30	53.9	47.7	*
31-40	26.2	25.5	*
41 or older	7.8	18.1	*
Average age (years)	28	30	*
High school diploma (%)	48.6	57.0	
Employed during the quarter prior to random assignment (%)	49.6	47.0	
Employed during the year prior to random assignment (%)	75.9	71.1	
Number of quarters employed in the prior 3 years (%)	6.3	6.5	
Earnings in the 3 years prior to random assignment ($)	11,629	15,571	**
Number of children (%)			
0	0.7	0.7	
1	43.3	49.7	
2	27.0	28.2	
More than 3	29.1	21.5	
Average number of children	2.0	1.8	
Age of youngest child (%)			
Under 3 years	55.7	49.3	
3-5 years	22.1	20.3	
6 years and older	22.1	30.4	
AFDC receipt history (%)			
Never	46.1	43.6	
Less than 3 months	4.3	6.0	
3 months or more and less than 2 years	34.8	30.9	
2 years or more and less than 5 years	9.9	10.7	
5 years or more and less than 10 years	3.5	7.4	
10 years or more	1.4	1.3	
Received food stamps in prior year (%)	80.1	70.5	*
Sample size (total = 290)	141	149	

SOURCES: Texas background information form and administative records from the State of Texas.

NOTES: Results are for sample members randomly assigned from January through June 2002. Chi-square (categorical) and two-tailed T (continous) tests were used to assess the differences in characteristics across research groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix Table F.3 shows the adjusted means and impacts on employment and welfare outcomes for Corpus Christi's full sample, fielded sample, and respondent sample.[3] With some exceptions, the impacts are consistent across the samples.[4] In some cases, smaller impacts are statistically significant among the report sample, due to the larger sample size. Appendix Table F.3 shows that the impact on earnings is larger among the report sample than the respondent sample, for reasons that are unclear.

Conclusions About Corpus Christi

Due to the narrow cohort of months from which Corpus Christi's survey sample was selected — as well as some evidence of response bias — caution should be exercised when generalizing the results among the survey sample to the broader report sample. In particular, this response analysis found that survey respondents were more likely than nonrespondents to have received food stamps in the year prior to random assignment and were more likely to have a high school diploma or GED. Furthermore, respondents in the ERA group were younger than their control group counterparts and were more likely to have received food stamps in the year prior to random assignment. Finally, there were some small differences across the three samples in the pattern of impacts on measures of administrative records.

[3]All the impacts are regression-adjusted within each sample, to control for differences in background characteristics, prior earnings, prior employment, prior public assistance receipt, location or residence, and period of sample intake.

[4]The consistency in impacts for the respondent, fielded, and report samples refers to the direction and magnitude of the impacts, not to whether they are all statistically significant. In fact, the impacts on average quarterly employment, employment over four consecutive quarters, number of quarters employed, and percentage ever receiving TANF are statistically significant among sample members in the report sample but are not significant among sample members in the respondent and the fielded samples.

The Employment Retention and Advancement Project

Appendix Table F.3

Comparison of Impacts for the Full, Fielded, and Respondent Samples in Corpus Christi

Outcome	ERA Group	Control Group	Difference (Impact)
Quarters 2-5			
Ever employed (%)			
Full sample	72.7	73.7	-1.0
Fielded sample	73.1	71.8	1.3
Respondent sample	75.3	73.2	2.1
Average quarterly employment (%)			
Full sample	52.4	49.5	2.9 *
Fielded sample	54.8	49.5	5.3
Respondent sample	58.8	53.2	5.6
Employed 4 consecutive quarters (%)			
Full sample	29.9	26.1	3.8 *
Fielded sample	32.9	27.9	5.0
Respondent sample	36.6	33.2	3.3
Number of quarters employed			
Full sample	2.1	2.0	0.1 *
Fielded sample	2.2	2.0	0.2
Respondent sample	2.4	2.1	0.2
Earnings ($)			
Full sample	3,982	3,567	415 *
Fielded sample	4,229	3,847	382
Respondent sample	4,518	4,353	165
Ever received TANF (%)			
Full sample	81.9	78.0	4.0 **
Fielded sample	83.7	76.6	7.1
Respondent sample	81.8	76.6	5.3
Amount of food stamps received ($)			
Full sample	2,745	2,820	-75
Fielded sample	2,632	2,743	-111
Respondent sample	2,644	2,789	-145
Total measured income ($)			
Full sample	7,751	7,376	375 *
Fielded sample	7,876	7,580	296
Respondent sample	8,184	8,115	70

SOURCE: MDRC calculations from administrative records from the State of Texas.

NOTES: The full sample includes 1,723 sample members; experimental: 868; control: 855. The fielded sample includes 357 sample members; experimental: 180; control: 177. The respondent sample includes 290 sample members; experimental: 141; control: 149. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Fort Worth Survey Response Analysis

This section of the appendix assesses the reliability of impact results from the one-year survey of the Employment Retention and Advancement (ERA) evaluation in Fort Worth, Texas. It examines whether the impacts for respondents to the ERA 12-Month Survey can be generalized to the impacts for the report sample in Fort Worth. After introducing how the survey sample was selected, it discusses the response rates for survey sample members and for sample members in the research groups. It also examines the differences in background characteristics between survey respondents and nonrespondents and between research groups among survey respondents. Finally, this section compares the impacts across the survey sample and the report sample on measures created from the administrative records. The survey sample in Fort Worth is the smallest of the three Texas sites and is drawn from a cohort that does not overlap at all with the report sample cohort. For this reason, it is not advisable to make inferences about Fort Worth's broader report sample on the basis of the survey sample's impacts.

Survey Selection in Fort Worth

The report sample in Fort Worth includes 1,163 sample members who were randomly assigned to the ERA group (N = 577) or to the control group (N = 586) from October 2000 through June 2002.

As in the other sites, a two-step process was used to select the ERA 12-Month Survey sample in Fort Worth. First, the *survey-eligible sample* was selected. This included 250 sample members who met the survey eligibility criteria. Research sample members who were randomly assigned from September through December 2002, who were age 18 or older, who were in a single-parent family, and who spoke either English or Spanish were eligible for the survey. It is particularly notable that the survey sample was drawn from a very narrow 3-month segment of the sample intake period that does not overlap at all with the report sample cohort; this raises substantial concerns about the generalizability of results to the full report sample (which covers a 26-month period in Fort Worth).

In Fort Worth, all sample members eligible for the survey were selected to be interviewed. The interview sample is referred to as the *fielded survey sample* and is split fairly evenly between members of the ERA group (N = 123) and members of the control group (N = 127). Box F.2 describes the key analysis samples in Fort Worth.

Box F.2

Key Analysis Samples in Fort Worth

Research sample. Sample members who were randomly assigned during the sample intake period, which started in October 2000 and ended in December 2002.

Report sample. Single parents who were randomly assigned from October 2000 through June 2002.

Survey-eligible sample. Sample members in the research sample who were randomly assigned from September through December 2002 and who met the criteria for inclusion in the survey.

Fielded sample. Sample members who were chosen from the survey-eligible sample to be interviewed for the survey.

Respondent sample. Sample members in the fielded sample who completed the ERA 12-Month Survey.

Nonrespondent sample. Sample members in the fielded sample who were not interviewed because they were not located or they refused to be interviewed or because of other reasons.

Survey Response Rates in Fort Worth

Sample members who were interviewed for the ERA 12-Month Survey are referred to as survey *respondents,* while sample members who were not interviewed are known as *nonrespondents.*

Although the overall response rate in Fort Worth was about 75 percent (N = 188), this is slightly below the OMB standard for response rates (80 percent), and thus the risk of nonresponse bias is somewhat higher. Roughly equal proportions of ERA group members (76 percent) and control group members (75 percent) responded to the survey.[5]

The primary reasons that some sample members in Fort Worth were not interviewed (N = 62) are that they could not be located (N = 35), they refused to be interviewed (N = 14), or they were incapacitated (N = 4).

Comparison of Respondents and Nonrespondents Within the Survey Sample: Fort Worth

This section examines whether there are differences in pre-random assignment characteristics between respondents and nonrespondents within the survey-eligible sample in Fort

[5]OMB stipulates a response rate of 80 percent.

Worth. In order to examine differences between those who completed the survey and those who did not, MDRC created an indicator of survey response and related the indicator to pre-random assignment characteristics in a multivariate analysis.

Appendix Table F.4 shows estimated regression coefficient for the probability of being a respondent in Fort Worth, based on background characteristics. The first column of the table provides the parameter estimates that indicate the effect of each variable on the probability of completing the survey. The star (asterisk) and p-value show the statistical significance of this relationship.

Appendix Table F.4 shows that survey respondents and nonrespondents in Fort Worth were similar at random assignment: No measures of background characteristics were able to differentiate between them. However, whether a sample member had received food stamps prior to random assignment comes close to being a statistically significant predictor of survey response (p-value = 0.101). At the bottom of Appendix Table F.4, the F-statistic and the p-value of the F-statistic show that the overall difference between survey respondents and nonrespondents is not statistically significant.

Comparison of the Research Groups in the Survey Respondent Sample: Fort Worth

The random assignment design essentially eliminates the possibility of selection bias. However, the risk of differences between the background characteristics of ERA and control group members is reintroduced due to the survey sampling and response process. Specifically, if different types of ERA group members respond (compared with control group members), the integrity of the experiment would be compromised for the survey analysis. If this is true to a large extent, the ability to generalize from the respondent sample may be affected.

Appendix Table F.5 shows whether there may be any statistically significant differences in background characteristics between ERA group and control group respondents in Fort Worth. There are no statistically significant differences in background characteristics between ERA group survey respondents and control group survey respondents. In other words, the integrity of the experiment is preserved. For example, among survey respondents, ERA group members were employed, on average, 7.1 quarters in the three years prior to random assignment, which is very close to the control group's average of 6.9 quarters.

The Employment Retention and Advancement Project

Appendix Table F.4

Estimated Regression Coefficients for the Probability of Being a Respondent on the ERA 12-Month Survey, Fort Worth

	Survey Sample	
	Parameter Estimate	P-Value
ERA group	0.003	0.955
Age of the youngest child	-0.004	0.667
Number of children	0.041	0.181
Black, non-Hispanic	-0.172	0.359
White	-0.245	0.185
Hispanic	-0.180	0.346
No high school diploma or GED	0.047	0.434
Employed in the quarter prior to random assignment	-0.054	0.498
Female	0.040	0.772
Month of sample intake	0.023	0.387
21-30 years of age	-0.116	0.251
31-40 years of age	-0.111	0.381
41 years old and over	-0.004	0.981
Employed in the prior year	-0.052	0.593
Received food stamps in the prior year	0.101	0.101
Earnings in the prior 3 years	0.000	0.813
Number of quarters employed in prior three years	0.019	0.169
R-square (0.066)		
F-statistic (0.96)		
P-value of F-statistic (0.499)		
Sample size	250	

SOURCE: MDRC calculations from administrative records from the State of Texas.

NOTE: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Comparison of Survey Respondents with the Fielded Sample and the Report Sample: Fort Worth

This section examines whether impacts among survey respondents in Fort Worth can be generalized to the fielded sample and the report sample and whether any cohort effects may have been introduced.[6]

[6]The impacts presented in this appendix are statistically significant unless otherwise noted.

The Employment Retention and Advancement Project

Appendix Table F.5

Background Characteristics of Survey Respondents, Fort Worth

Variable	ERA Group	Control Group
Female (%)	95.7	95.8
Race/ethnicity (%)		
Hispanic	15.2	15.6
Black	64.1	61.5
White	19.6	19.8
Other	1.1	3.1
Age (%)		
20 or younger	13.0	10.4
21-30	46.7	52.1
31-40	31.5	26.0
41 or older	8.7	11.5
Average age years	28	29
High school diploma (%)	54.3	57.3
Employed during the quarter prior to random assignment (%)	56.5	50.0
Employed during the year prior to random assignment (%)	76.1	71.9
Number of quarters employed in the prior 3 years (%)	7.1	6.9
Earnings in the 3 years prior to random assignment ($)	19,242	18,914
Number of children (%)		
1	44.6	37.5
2	31.5	33.3
More than 3	23.9	29.2
Average number of children	1.9	2.0
Age of youngest child (%)		
Under 3 years	55.4	54.2
3-5 years	15.2	16.7
6 years and older	29.3	29.2
AFDC receipt history (%)		
Never	41.3	41.7
Less than 3 months	2.2	7.3
3 months or more and less than 2 years	54.3	42.7
2 years or more and less than 5 years	1.1	5.2
5 years or more and less than 10 years	1.1	3.1
Received food stamps in prior year (%)	70.7	66.7
Sample size (total = 188)	92	96

SOURCES: Texas background information form and administative records from the State of Texas.

NOTE: Results are for sample members and randomly assigned from September through December 2002. Chi-square (categorical) and two-tailed T (continous) tests were used to assess the differences in characteristics across research groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix Table F.6 shows the adjusted means and impacts on employment and welfare outcomes for Fort Worth's report sample, fielded sample, and the respondent sample.[7] The comparison shows that the impacts among the fielded sample and among respondent sample are inconsistent with the impacts among the report sample on most measures of earnings, employment, and food stamp receipt. This is not surprising, given that the respondent and fielded samples do not at all overlap with the report sample. For example, among the report sample, ERA group members were 2.3 percentage points more likely to have been employed during Year 1 than control group members. Among the respondent sample, ERA group members were nearly 12 percentage points *less* likely to have been employed than control group members. There are large discrepancies on several other measures. Notably, ERA had a large impact on food stamp receipt among the respondent sample, which was not at all evident among the report sample.

Conclusions About Fort Worth

Due to the narrow cohort of months from which Fort Worth's survey sample was selected — as well as the substantially different pattern of impacts among the survey respondent sample — great caution should be exercised when generalizing the results among the survey sample to the broader report sample. While the differences in background characteristics are not large, the impacts, in some cases, are qualitatively different across subsamples. This is likely because the survey sample does not overlap with the report sample.

[7]All the impacts are regression-adjusted within each sample to control for differences in background characteristics, prior earnings, prior employment, prior public assistance receipt, location or residence, and period of sample intake.

The Employment Retention and Advancement Project

Appendix Table F.6

Comparison of Impacts for the Report, Fielded, and Respondent Samples in Fort Worth

Outcome	ERA Group	Control Group	Difference (Impact)
Quarters 2-5			
Ever employed (%)			
Report sample	69.4	67.1	2.3
Fielded sample	64.6	72.8	-8.2
Respondent sample	63.7	75.4	-11.6 *
Average quarterly employment (%)			
Report sample	49.1	47.1	2.0
Fielded sample	41.2	48.4	-7.2
Respondent sample	40.6	48.8	-8.2
Employed 4 consecutive quarters (%)			
Report sample	26.4	25.4	1.0
Fielded sample	15.0	28.8	-13.8 ***
Respondent sample	15.4	27.9	-12.5 **
Number of quarters employed			
Report sample	2.0	1.9	0.1
Fielded sample	1.7	1.9	-0.3
Respondent sample	1.6	2.0	-0.3
Earnings ($)			
Report sample	4,486	4,248	238
Fielded sample	3,540	4,446	-906
Respondent sample	3,583	4,479	-896
Ever received TANF (%)			
Report sample	80.8	81.1	-0.3
Fielded sample	76.3	78.1	-1.8
Respondent sample	81.1	77.5	3.6
Amount of food stamps received ($)			
Report sample	2,698	2,672	26
Fielded sample	3,142	2,354	788 ***
Respondent sample	3,298	2,577	721 ***
Total measured income ($)			
Report sample	8,469	8,113	355
Fielded sample	7,906	7,771	134
Respondent sample	8,194	8,054	140

SOURCE: MDRC calculations from administrative records from the State of Texas.

NOTE: The report sample includes 1,163 sample members; experimental: 577; control: 586. The fielded sample includes 250 sample members; experimental: 123; control: 127. The respondent sample includes 188 sample members; experimental: 92; control: 96. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Houston Survey Response Analysis

This section of the appendix assesses the reliability of impact results from the one-year survey of the Employment Retention and Advancement (ERA) evaluation in Houston, Texas. It examines whether the impacts for respondents to the ERA 12-Month Survey can be generalized to the impacts for the report sample in Houston. After introducing how the survey sample was selected, it discusses the response rates for survey sample members and for sample members in the research groups. It also examines the differences in background characteristics between survey respondents and nonrespondents and between research groups among survey respondents. Finally, this section compares the impacts across the survey sample and the report sample in Houston on measures created from the administrative records.

Survey Selection in Houston

The report sample in Houston includes 1,816 sample members who were randomly assigned to the ERA group (N = 904) or to the control group (N = 912) from March 2001 through June 2002.

As in the other sites, a two-step process was used to select the ERA 12-Month Survey sample in Houston. First, the *survey-eligible sample* was selected. This sample includes 501 sample members who met the survey eligibility criteria. Research sample members who were randomly assigned from January through June 2002, who were age 18 or older, who were in a single-parent family, and who spoke either English or Spanish were eligible for the survey. It is particularly notable that the survey sample was drawn from a narrow 6-month slice of the sample intake period; this raises concerns about the generalizability of results to the full report sample (which covered a 16-month period in Houston).

In Houston, 370 out of the 501 sample members eligible for the survey were selected to be interviewed. The interview sample is referred to as the *fielded survey sample* and is split fairly evenly between members of the ERA group (N = 187) and members of the control group (N = 183). Box F.3 describes the key analysis samples in Houston.

Box F.3

Key Analysis Samples in Houston

Research sample. Sample members who were randomly assigned during the sample intake period, which started in March 2001 and ended in December 2002.

Report sample. Single parents who were randomly assigned from March 2001 through June 2002.

Survey-eligible sample. Sample members in the research sample who were randomly assigned from January through June 2002 and who met the criteria for inclusion in the survey.

Fielded sample. Sample members who were chosen from the survey-eligible sample to be interviewed for the survey.

Respondent sample. Sample members in the fielded sample who completed the ERA 12-Month Survey.

Nonrespondent sample. Sample members in the fielded sample who were not interviewed because they were not located or they refused to be interviewed or because of other reasons.

Survey Response Rates in Houston

Sample members who were interviewed for the ERA 12-Month Survey are referred to as survey *respondents,* while sample members who were not interviewed are known as *nonrespondents.*

Although the overall response rate in Houston was approximately 80 percent (the OMB standard), nonresponse bias may occur whenever the response rate is below 100 percent, because there may be differences in the average background characteristics of the respondent sample and the fielded sample.

The primary reasons that some sample members in Houston were not interviewed (N = 53) are that they could not be located (N = 54), they refused to be interviewed (N = 11), or they were incapacitated (N = 3).

Comparison of Respondents and Nonrespondents Within the Survey Sample: Houston

This section examines whether there are differences in pre-random assignment characteristics between respondents and nonrespondents within the survey-eligible sample in Houston. In order to examine differences between those who completed the survey and those who did

not, MDRC created an indicator of survey response and related the indicator to pre-random assignment characteristics in a multivariate analysis.

Appendix Table F.7 shows estimated regression coefficient for the probability of being a respondent in Houston, based on background characteristics. The first column of the table provides the parameter estimates that indicates the effect of each variable on the probability of completing the survey. The stars (asterisks) and p-values indicate whether the relationships are statistically significant.

The Employment Retention and Advancement Project

Appendix Table F.7

Estimated Regression Coefficients for the Probability of Being a Respondent on the ERA 12-Month Survey, Houston

	Survey Sample	
	Parameter Estimate	P-Value
ERA group	-0.010	0.820
Age of the youngest child	-0.001	0.937
Number of children	0.010	0.605
Black, non-Hispanic	0.103	0.426
White	0.038	0.789
Hispanic	0.118	0.377
No high school diploma or GED	-0.002	0.960
Employed in the quarter prior to random assignment	0.094 *	0.082
Female	-0.096	0.422
Month of sample intake	-0.004	0.754
21-30 years of age	-0.124	0.123
31-40 years of age	-0.129	0.184
41 years old and over	-0.152	0.226
Employed in the prior year	-0.044	0.526
Received food stamps in the prior year	0.045	0.381
Earnings in the prior 3 years	0.000	0.604
Number of quarters employed in prior 3 years	0.003	0.771
R-square (0.027)		
F-statistic (0.57)		
P-value of F-statistic (0.911)		
Sample size	370	

SOURCE: MDRC calculations from administrative records from the State of Texas.

NOTE: Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Appendix Table F.7 shows that survey respondents and nonrespondents in Houston were similar at random assignment: Most measures of background characteristics are unable to differentiate between them. Employment in the quarter prior to random assignment is the only statistically significant characteristic in predicting whether someone would complete a survey in Houston. Survey respondents were more likely than nonrespondents to be employed in the quarter prior to random assignment.

At the bottom of Appendix Table F.7, the F-statistic and the p-value of the F-statistic show that the full set of background characteristics is not able statistically to distinguish between survey respondents and nonrespondents.

Comparison of the Research Groups in the Survey Respondent Sample: Houston

The random assignment design essentially eliminates the possibility of selection bias. However, the risk of differences between the background characteristics of ERA and control group members is reintroduced due to the survey sampling and response process. Specifically, if different types of ERA group members respond (compared with control group members), the integrity of the experiment would be compromised for the survey analysis. If this is true to a large extent, the ability to generalize from the respondent sample may be affected.

Appendix Table F.8 shows whether there may be any statistically significant differences in background characteristics between ERA group and control group respondents in Houston. There are no differences between them. In other words, the integrity of the experiment is preserved.

The Employment Retention and Advancement Project

Appendix Table F.8

Background Characteristics of Survey Respondents, Houston

Variable	ERA Group	Control Group
Female (%)	96.7	95.2
Race/ethnicity (%)		
Hispanic	28.7	29.0
Black	61.3	63.8
White	9.3	7.2
Other	0.7	0.0
Age (%)		
20 or younger	10.7	10.2
21-30	54.7	59.2
31-40	25.3	21.8
41 or older	9.3	8.8
Average age (years)	28	28
High school diploma (%)	41.9	42.8
Employed during the quarter prior to random assignment (%)	44.0	47.6
Employed during the year prior to random assignment (%)	70.7	76.9
Number of quarters employed in the prior 3 years (%)	6.1	6.3
Earnings in the 3 years prior to random assignment ($)	13,633	14,392
Number of children (%)		
0	0.0	2.1
1	40.0	34.9
2	26.0	32.2
More than 3	34.0	30.8
Average number of children	2.1	2.1
Age of youngest child (%)		
Under 3 years	55.3	60.1
3-5 years	16.7	19.6
6 years and older	28.0	20.3
AFDC receipt history (%)		
Never	45.5	44.0
Less than 3 months	10.3	9.9
3 months or more and less than 2 years	32.4	31.9
2 years or more and less than 5 years	4.8	9.9
5 years or more and less than 10 years	4.8	2.1
10 years or more	2.1	2.1
Received food stamps in prior year (%)	77.3	72.8
Sample size (total = 297)	150	147

SOURCES: Texas background information form and administative records from the State of Texas.

NOTES: Results are for sample members and randomly assigned from January through June 2002. Chi-square (categorical) and two-tailed T (continous) tests were used to assess the differences in characteristics across research groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Comparison of Survey Respondents with the Fielded Sample and the Report Sample: Houston

This section examines whether impacts among survey respondents in Houston can be generalized to the fielded sample and the report sample and whether any cohort effects may have been introduced.[8]

Appendix Table F.9 shows the adjusted means and impacts on employment and welfare outcomes for Houston's full sample, fielded sample, and respondent sample.[9] The pattern of impacts differs across these samples, and so a great deal of caution should be exercised when making inferences from the survey sample to the report sample in Houston. For example, Appendix Table F.9 shows that, among the full report sample, ERA reduced earnings in Year 1 by $94, compared with a $228 increase among the fielded survey sample and a $728 increase among the survey respondent sample. Among the full sample, ERA reduced the percentage working in any given quarter by 1.0 percentage point, compared with a 3.7 percentage point increase among the fielded sample and a 5.0 percentage point increase among the survey respondent sample. Likewise, the ERA and control group differences in the percentage ever employed and food stamp receipt are larger among the respondent sample than among the fielded sample and the report sample. The fact that these differences are not statistically significant, however, may suggest that random variation rather than an actual cohort effect may explain the differences in impacts.

This potential response bias cannot be rectified by weighting based on background characteristics, because differences in measurable characteristics are not systematic. Since the overall impacts on administrative records measures are much stronger among those who were selected for the survey (and stronger still among survey respondents), it is not surprising that the survey impacts look somewhat better in Houston than would be expected from the full sample's impacts on administrative records outcomes.

Conclusions About Houston

Due to the narrow cohort of months from which Houston's survey sample was selected — as well as the different pattern of impacts among the survey respondent sample — great caution should be exercised when generalizing the results among the survey sample to the broader report sample. While the differences in background characteristics are not large, the impacts are different across subsamples, which tends to make the survey results appear to be more favorable than the full sample's results.

---

[8]The impacts presented in this appendix are statistically significant unless otherwise noted.

[9]All the impacts are regression-adjusted within each sample, to control for differences in background characteristics, prior earnings, prior employment, prior public assistance receipt, location or residence, and period of sample intake.

The Employment Retention and Advancement Project

Appendix Table F.9

Comparison of Impacts for the Full, Fielded, and Respondent Samples in Houston

Outcome	ERA Group	Control Group	Difference (Impact)
Quarters 2-5			
Ever employed (%)			
Full sample	64.6	63.8	0.8
Fielded sample	66.8	61.3	5.5
Respondent sample	67.9	60.0	7.9
Average quarterly employment (%)			
Full sample	42.8	43.9	-1.0
Fielded sample	45.3	41.6	3.7
Respondent sample	46.1	41.2	5.0
Employed 4 consecutive quarters (%)			
Full sample	21.4	23.4	-2.0
Fielded sample	24.2	21.7	2.5
Respondent sample	24.7	21.1	3.6
Number of quarters employed			
Full sample	1.7	1.8	0.0
Fielded sample	1.8	1.7	0.1
Respondent sample	1.8	1.6	0.2
Earnings ($)			
Full sample	3,851	3,946	-94
Fielded sample	3,959	3,730	228
Respondent sample	4,322	3,594	728
Ever received TANF (%)			
Full sample	85.6	84.5	1.1
Fielded sample	82.3	83.1	-0.8
Respondent sample	84.4	84.0	0.4
Amount of food stamps received ($)			
Full sample	2,766	2,743	24
Fielded sample	2,824	3,002	-178
Respondent sample	2,888	3,125	-237
Total measured income ($)			
Full sample	7,927	7,897	30
Fielded sample	8,116	7,984	132
Respondent sample	8,568	8,003	564

SOURCE: MDRC calculations from administrative records from the State of Texas.

NOTES: The full sample includes 1,950 sample members; experimental: 970; control: 980. The fielded sample includes 370 sample members; experimental: 187; control: 183. The respondent sample includes 297 sample members; experimental: 150; control: 147. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

References

Berlin, Gordon. 2000. *Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs.* New York: MDRC.

Bloom, Dan, Jacquelyn Anderson, Melissa Wavelet, Karen N. Gardiner, and Michael E. Fishman. 2002. *New Strategies to Promote Stable Employment and Career Progression: An Introduction to the Employment Retention and Advancement Project.* Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families.

Bloom, Dan, Richard Hendra, Karin Martinson, and Susan Scrivener. 2005. *The Employment Retention and Advancement Project: Early Results from Four Sites.* Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families.

City of Houston. 2005. "About Houston: Economy and Trade."
Web site: http://www.houstontx.gov/abouthouston/economytrade.html.

Johnson, Rucker C., and Mary E. Corcoran. 2003. "The Road to Economic Self-Sufficiency: Job Quality and Job Transition Patterns After Welfare Reform." *Journal of Public Policy Analysis and Management* 22, 4: 625.

Michalopoulos, Charles, David Card, Lisa Gennetian, Kristen Harknett, and Philip Robins. 2000. *The Self-Sufficiency Project at 36 Months: Effects of a Financial Work Incentive on Employment and Income.* Vancouver, British Columbia: Social Research and Demonstration Corporation.

Rangarajan, Anu, and Tim Novak. *The Struggle to Sustain Employment: The Effectiveness of the Postemployment Services Demonstration.* (Princeton, NJ: Mathematica Policy Research, Inc.), 1999.

Texas Council on Workforce and Economic Competitiveness. 2000. *Setting Benchmarks: Implementation of the Texas Workforce Development Strategic Plan in the New Millennium, December 2000.* Web site:
http://www.governor.state.tx.us/divisions/twic/files/benchmarks2000.pdf?month:int=2&year:int=2005.

Texas Department of Human Services. 2003. "Reflections: A Legacy of Caring." Annual Report.
Web site: http://www.dhs.state.tx.us/publications/AnnualReport/2003/index.html.

Texas State Library and Archives Commission. 2000. "2000 Census: Population of Texas Cities Arranged in Descending Order."
Web site: http://www.tsl.state.tx.us/ref/abouttx/popcity32000.html.

Texas State Services, Legislative Budget Board. 2003. "Fiscal Size-Up."
Web site: http://www.lbb.state.tx.us/Fiscal_size-up/Fiscal_size-up_2002-2003_0102.pdf.

U.S. Department of Labor, Bureau of Labor Statistics. 2004. "Southwest: Labor Force Statistics."
Web site: http://www.bls.gov/xg_shells/ro6xg02.htm.

U.S. House of Representatives, Committee on Ways and Means. 2005. "Section 7: Temporary Assistance for Needy Families (TANF)." *Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means.* Washington, DC: U.S. Government Printing Office.
Web site: http://frwebgate.access.gpo.gov/cgi-bin/useftp.cgi?IPaddress=162.140.64.88&filename=wm006_07.pdf&directory=/disk2/wais/data/108_green_book.

EARLIER MDRC PUBLICATIONS ON THE EMPLOYMENT RETENTION AND ADVANCEMENT PROJECT

The Employment Retention and Advancement Project
Results from the South Carolina ERA Site
2005. Susan Scrivener, Gilda Azurdia, Jocelyn Page

The Employment Retention and Advancement Project
Early Results from Four Sites
2005. Dan Bloom, Richard Hendra, Karin Martinson, Susan Scrivener

Service Delivery and Institutional Linkages
Early Implementation Experiences of Employment Retention and Advancement Programs
2003. Jacquelyn Anderson, Karin Martinson

New Strategies to Promote Stable Employment and Career Progression
An Introduction to the Employment Retention and Advancement Project
2002. Dan Bloom, Jacquelyn Anderson, Melissa Wavelet, Karen N. Gardiner, Michael E. Fishman

---

NOTE: A complete publications list is available from MDRC and on its Web site (www.mdrc.org), from which copies of reports can also be downloaded.

About MDRC

MDRC is a nonprofit, nonpartisan social policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Child Development
- Improving Public Education
- Promoting Successful Transitions to Adulthood
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation's largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.