OPPORTUNITY NYC | WORK REWARDS

BUILDING SELF-SUFFICIENCY FOR HOUSING VOUCHER RECIPIENTS

Interim Findings from the Work Rewards Demonstration in New York City

Stephen Nuñez
Nandita Verma
Edith Yang

June 2015

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BUILDING KNOWLEDGE TO IMPROVE SOCIAL POLICY

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Overview

In 2007, New York City's Center for Economic Opportunity launched Opportunity NYC–Work Rewards to test three ways of increasing employment and earnings for families who receive rental assistance under the federal Housing Choice Vouchers Program. Two of the interventions include the Family Self-Sufficiency (FSS) program, the main federal effort for increasing employment and earnings and reducing reliance on government subsidies. FSS, which is administered by local public housing authorities, offers participants case management to connect them to employment and social services, as well as a vehicle for building their assets through an escrow savings account. As a family's income increases, so does its share of the rent. Families in FSS pay that increased rent to the landlord, and the housing authority credits the family's escrow account based on the increases in earned income during the term of the FSS contract. Escrow accruals are paid to participants when they complete the program, which could take up to five years.

The Work Rewards demonstration is evaluating the effectiveness of the FSS program alone ("FSS-only") as well as an enhanced version of the program that offered all the components of FSS plus special cash work incentives ("FSS+incentives") conditioned on reaching specific education- and employment-related benchmarks. Work Rewards also tests an offer of those same incentives alone, *without* FSS, to determine whether this administratively simpler and potentially less costly approach could be effective. The demonstration used an experimental design, with program and control groups for the different studies. This report presents results over four years.

Key Findings

- FSS-only and FSS+incentives increased enrollment in educational courses, but this did not lead to an increase in degree or certificate receipt. Both FSS programs also increased the number of participants connected to mainstream banking, reduced the use of check cashers, and increased the number of people reporting any savings — all measures of financial management.
- FSS+incentives had a small impact on employment when averaged over the four-year study period. However, that impact appears to have been driven by large and statistically significant increases in employment and earnings (a gain of 47 percent over the control group) for participants who were not working at study enrollment.
- Neither FSS program reduced poverty or the incidence of material hardship, even for the subgroup of FSS+incentives participants with large gains in employment and earnings.
- FSS+incentives produced some late-occurring reductions in the receipt of Temporary Assistance for Needy Families and food stamp benefits.
- The incentives alone produced no consistent overall effects.
- None of the models so far has shown effects on those who were employed at enrollment.

The final report will include an analysis of FSS graduation rates and a benefit-cost analysis. A national evaluation of the FSS program that was commissioned by the Department of Housing and Urban Development, which MDRC is leading, will provide insight into which program experiences and impacts are generalizable to the national program and which may be specific to Work Rewards.

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Preface

Recipients of government rental assistance face numerous barriers to becoming economically self-sufficient. In an effort to address this problem, policymakers have long sought to improve the employment outcomes for these low-income tenants. For decades, the U.S. Department of Housing and Urban Development (HUD) has made significant investments in various programs designed to help achieve that goal. Among those federal efforts is Family Self-Sufficiency (FSS), a voluntary program operated by public housing authorities in cities across the country. FSS offers case management, job-related services, and an asset-building component (via an escrow account that is set up for participants) to help recipients of housing vouchers — subsidies for renting in the private market — build their savings.

The study that is described in this report is the first randomized controlled trial of a local implementation of FSS. Called the Opportunity NYC−Work Rewards demonstration and sponsored by New York City's Center for Economic Opportunity, the study is testing the effectiveness of three programs: FSS alone, FSS plus special cash work incentives, and the special incentives alone. The incentives were offered as a way to test whether attaching more immediate cash rewards to work-related activities (compared with the more distant reward of escrow savings) produces positive labor market and other effects. An earlier report concluded that in its first two and a half years, FSS yielded benefits for some participants but not for others. Longer-term follow-up from Work Rewards for the first four years of the study, which is presented in this second, interim report, corroborates the findings from that first report. Overall, the study found no sustained effects for the full samples in any of the three programs. But it did identify positive effects for a certain subgroup: FSS combined with the special work incentives produced large increases in employment and earnings for participants who were not working at study entry. Those gains did not, however, translate into reduced poverty or reduced reliance on public benefits, suggesting, perhaps, that more must be done to help this population advance once they find jobs. These findings can serve as the foundation for building stronger self-sufficiency programs in New York and other cities.

While FSS by itself, at least as implemented in New York City, does not so far appear to be effective overall, those findings reflect only one program. In 2012, MDRC began a national evaluation of FSS, commissioned by HUD. The national evaluation is testing local programs operated by 18 housing authorities across the country to provide evidence on the effectiveness of FSS beyond New York City. The lessons learned from the Work Rewards demonstration to date have been invaluable in informing the design of the national evaluation and have shown that there is a need for interventions that can generate larger effects to help participants take significant steps toward becoming self-sufficient. The final report on Work Rewards, to be released in 2016, will cover five years of follow-up data and will yield a solid base of evidence that can be used to help strengthen self-sufficiency program models going forward.

Gordon L. Berlin
President, MDRC

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This report would have been impossible without the generous contributions and support of many people. We are especially grateful to the individuals participating in the Work Rewards demonstration — both those who enrolled in the programs and the members of the control group, who have allowed us to learn from their experiences. The community-based organizations (CBOs) that operated the different program models and supplied us with essential data on families' participation were invaluable in helping us understand their efforts. We also appreciate the dedication of the many staff members, past and present, at the CBOs that were involved with different stages of the demonstration.

Our partners at the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Authority (NYCHA) played crucial roles in the design and implementation of Work Rewards. We thank HPD Commissioner Vicki Been for reviewing the draft and providing insightful feedback. Thanks go to Nicole Levin, formerly at HPD, for her contributions to the design of the Family Self-Sufficiency study, its learning agenda, and the ongoing management of the program, and to Dinsiri Fikru at HPD, who also offered helpful suggestions. At NYCHA, Sideya Sherman provided insightful comments on the inclusion of NYCHA voucher holders in the demonstration. We appreciate that this collaboration has continued under Mayor Bill de Blasio.

We owe special gratitude to former Mayor Michael Bloomberg for his support for the project, and to former Deputy Mayor Linda Gibbs and staff of the New York City Center for Economic Opportunity, especially Kate Dempsey and former Executive Director Veronica White. We thank staff at HPD, NYCHA, and other New York City and New York State agencies who prepared the administrative records data used in the analysis. We also appreciate the time that staff from the U.S. Department of Housing and Urban Development and other New York City agencies took to reflect on the initial findings.

The continuing support of the Mayor's Fund to Advance New York City and the funders of the demonstration has been crucial. Those funders include Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, The Open Society Foundations, the Robin Hood Foundation, the Tiger Foundation, The Annie E. Casey Foundation, American International Group, the John D. and Catherine T. MacArthur Foundation, and New York Community Trust.

At MDRC, James Riccio, the Principal Investigator on the Work Rewards project, provided important guidance on shaping this report. Gordon Berlin, David Greenberg, Richard Hendra, Cynthia Miller, and Betsy Tessler provided valuable feedback on report drafts. Gilda Azurdia and Jared Smith managed the acquisition and processing of all quantitative data. Victoria Deitch, Zakia Barnes, Leila Kerimova, Mercy Emelike, and Chris Rodrigues processed and

analyzed the vast amount of quantitative data used in this report. Crystal Ganges-Reid coordinated the production of the report and helped with the creation of the exhibits. Diane Singer, Emma Saltzberg, Hannah Dalporto, Keith Olejniczak, Rebecca Trupin, and Jennifer Uribe assisted with fact-checking. Alice Tufel edited the report and Stephanie Cowell prepared it for publication.

The Authors

Executive Summary

In 2007, New York City launched the Opportunity NYC−Work Rewards demonstration. Work Rewards is testing three ways of improving employment, earnings, and quality-of-life outcomes for households receiving rental assistance under the federal Housing Choice Vouchers (HCV) Program (also known as "Section 8," after Section 8 of the Housing Act of 1937).

The federal Department of Housing and Urban Development (HUD) administers the HCV Program through agreements with local public housing authorities. The vouchers, issued to over two million low-income households nationwide, allow recipients to live in privately owned rental properties. Many experts contend that the structure of the rent subsidy policy itself may discourage some tenants from working as much as they could. Tenants generally pay 30 percent of their income in rent (after certain income exclusions), with the government making up the difference. Thus, an increase in a household's income triggers an increase in rent, with this extra rental charge acting as an implicit "tax" on earnings.

Policymakers have long sought to improve voucher holders' labor market outcomes. Toward that end, HUD funds the Family Self-Sufficiency (FSS) program, providing public housing authorities with modest resources to hire case managers, who work with participants to develop plans for becoming self-sufficient and to connect them with services in their communities. HUD also funds a special program component to help families build their savings through interest-bearing escrow accounts, which are maintained by the housing authority. FSS participants still pay an increased rent to the landlord when their earnings rise, but the housing authority credits the family's escrow account with an amount that is based on the increases in earned income during the term of the participant's FSS contract. The escrow accruals are paid to participants once they complete the self-sufficiency plans they agreed to with the housing authority, usually within five years, and are not receiving any cash welfare payments through Temporary Assistance for Needy Families (TANF) or the state-run Safety Net Assistance (SNA) program. Thus, the escrow account functions as a kind of forced savings and may also provide a financial incentive for tenants to increase their work effort.

Nationally, because of limited funding, FSS reaches a very small proportion of all public housing and voucher households (about 5 percent).[1] Overall, no strong evidence exists showing whether or not the FSS program actually achieves the goals it is designed to produce. Nor is there very extensive information about the program's operation.

[1]Barbara Sard, *The Family Self-Sufficiency Program: HUD's Best-Kept Secret for Promising Employment and Asset Growth* (Washington, DC: The Center on Budget and Policy Priorities, 2001).

The New York City Department of Housing Preservation and Development (HPD), which operates one of the largest FSS programs in the country,[2] agreed to subject its program, which it was beginning to modify in 2007, to a test as part of the Work Rewards demonstration. It also agreed to test new work-related incentives alongside its FSS program. The special incentives included cash bonuses, called "reward payments," that were designed to encourage voucher holders to work full time and complete approved education and training activities. Participants could earn $300 for each two-month "activity period" — up to $1,800 a year — by remaining employed for an average of 30 hours per week for six out of every eight weeks (or about 75 percent of the duration of an activity period). Participants who completed approved education and training activities could earn $300, $400, or $600 for a course, depending on its length, up to a total of $3,000 for the duration over two years.

In a related experiment, the New York City Housing Authority (NYCHA), which is the city's primary housing authority and which operates a more broadly available Section 8 voucher program, agreed to test the same financial incentives for its voucher holders, but without an FSS program.[3] Both experiments targeted voucher holders with household incomes at or below 130 percent of the federal poverty level, a segment of the voucher population that is poorer than others served by these housing authorities.

In sum, the Work Rewards demonstration encompasses tests of three distinct strategies: (1) FSS alone, (2) FSS *plus* special work incentives, and (3) the special work incentives alone. The first two of these tests ("FSS-only" and "FSS+incentives") are both part of the "FSS study" in this report, and they involve households with vouchers obtained through HPD. The third test (without FSS), referred to as the "incentives-only" study in this report, involves households with vouchers obtained through NYCHA. Using two parallel, randomized controlled trials (RCTs), the evaluation is determining the effects, or "impacts," of the FSS program and the new special work incentives on voucher holders' employment outcomes, housing subsidy receipt, receipt of other public assistance benefits, and various quality-of-life outcomes.[4]

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[2]HPD, a low-income housing development agency in New York City, provides Section 8 vouchers to income-eligible families who meet special preference categories, such as living in a property regulated by HPD, a property undergoing substantial HPD-funded renovations (requiring tenants to relocate), or a homeless shelter.

[3]Unlike HPD's voucher program, NYCHA's program accepts applications from the general public, provided they meet the income-eligibility criteria (130 percent of the federal poverty level).

[4]RCTs employ an experimental design that compares the outcomes of a program group, whose members are eligible to participate in the intervention, with those of a control group, whose members do not participate in the intervention; the RCT is designed to ensure that the populations in the program and control groups are similar at the start of the study. (RCTs can also compare two different program groups with each other, as in this study.) Differences between the program and control groups' outcomes reflect the program's "impacts." Statistically significant differences indicate that the impacts can be attributed with a high degree of confidence

(continued)

New York City's Center for Economic Opportunity (CEO), a unit within the Office of the Mayor, is sponsoring the Work Rewards demonstration. Seedco, a nonprofit workforce and economic development organization, provided technical assistance in the program's design and operated the payment system for the special financial incentives component of the interventions. A small network of community-based organizations (CBOs) was responsible, along with the two housing authorities (HPD and NYCHA), for directly engaging families in each intervention. MDRC, a nonpartisan social policy research organization, collaborated with CEO, the housing authorities, Seedco, and the community organizations on the design and implementation of the interventions and is conducting the evaluation. A consortium of private funders paid for the special financial incentives and is covering the evaluation costs,[5] while CEO and HUD supported HPD's FSS program with public dollars.

A prior MDRC report examined the first two and a half years of program operations in depth.[6] The current report updates participants' experiences over the first four years following the end of random assignment. The report also presents longer-term findings on the program's impacts on employment and earnings, the receipt of food stamps (now distributed through the Supplemental Nutrition Assistance Program, or SNAP), cash welfare payments, and housing assistance,[7] plus results from a 42-month survey of voucher holders.

The findings show that the FSS+incentives intervention produced large and statistically significant impacts on employment and earnings for voucher holders who were not already working when they entered the program. It also appears to be producing some later-occurring reductions in the receipt of TANF and food stamps for the core (that is, nonelderly and non-

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to the intervention rather than to chance. All impacts discussed here are statistically significant unless otherwise noted.

[5]The private funders include Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, Open Society Foundations, Robin Hood Foundation, American International Group (AIG), Tiger Foundation, The Annie E. Casey Foundation, The John D. and Catherine T. MacArthur Foundation, and New York Community Trust.

[6]Nandita Verma, Betsy Tessler, Cynthia Miller, James Riccio, Zawadi Rucks, and Edith Yang, *Working Toward Self-Sufficiency: Early Findings from a Program for Housing Voucher Recipients in New York City* (New York: MDRC, 2012).

[7]The current report focuses on nonelderly and nondisabled sample members — the usual focus of self-sufficiency programs — who are referred to here as the "core sample." The full report includes an appendix showing findings for the entire random assignment samples (the "full sample"), including elderly and disabled individuals, for all three studies (FSS-only, FSS+incentives, and incentives-only); see Stephen Nuñez, Nandita Verma, and Edith Yang, *Building Self-Sufficiency for Housing Voucher Recipients: Interim Findings from the Work Rewards Demonstration, Appendixes F and G: Supplementary Tables* (New York: MDRC, 2015), available at www.mdrc.org. The full sample also includes individuals from Hasidic communities in Brooklyn, represented mostly in the incentives-only study sample. Because this group's orientation toward the labor market distinguishes it from the populations normally served by housing voucher programs nationally, findings for this group are being analyzed separately and will be included in the final report. (See Verma et al., 2012, for an early analysis of this group's experiences in Work Rewards.)

disabled) sample, though no reductions in housing subsidies. The FSS-only and incentives-only interventions did not produce a consistent pattern of statistically significant impacts on employment and earnings overall or for the employment subgroups, but FSS-only appears to have contributed to reductions in food stamp receipt for the group that was not working at the time of random assignment.

The FSS Study

At the time the demonstration was launched, the FSS program was operated collectively by HPD, several CBOs contracted to HPD, and Seedco, which provided technical assistance to the CBOs and served as the overall program manager through the end of 2010, when CEO funding ended.

Through intensive recruitment, which began in January 2008, the CBOs enrolled 1,603 nonelderly and nondisabled voucher holders into the study within approximately one year. The majority of households (66 percent) were headed by a single adult, and most are black or Hispanic. However, their other background characteristics vary widely, including prior work experience, education levels, and how long they had held their vouchers. Qualitative data suggest that many enrollees would not have joined the FSS study without the possibility of receiving the special work incentives. Individuals could remain enrolled in FSS for five years (and about half the sample members had completed that term as of 2013, although some may have been granted contract extensions, which the program allows).

Program Participation, Reward Receipt, and Escrow

Participants in the Work Rewards FSS program could meet with their FSS case managers on an as-needed basis. Within the overall rubric of the three FSS components — workforce development, asset building (through the escrow account), and case management — the CBOs had a lot of freedom to deliver a mix of services that would move people toward self-sufficiency. The only services that CBO staff were required to provide to every client, in addition to orienting them, were conducting a needs assessment and completing a career plan. Beyond that, there were no expectations for the frequency of client contact or a specified order of services that staff were expected to provide. However, in order to be paid by HPD in accordance with their contracts, which were 100 percent performance-based, the services provided by CBO staff had to fit within a set of 13 "milestones" that marked either a specific service provided or an achievement of the client as a result of the services provided. Milestones were geared toward a broad range of employment, financial, and supportive services that were expected to help address important family needs and contribute to employment results over the longer term. The CBOs were expected to use their expertise and resources to find ways to help their clients achieve these milestones.

FSS-Only

- **About 60 percent of the participants in the FSS-only intervention met with a CBO case manager at least once over the four years of follow-up. However, interactions with the CBO case managers were more frequent in the first two years than in later years.**

As noted earlier, FSS participants can take up to five years to work toward their self-sufficiency goals. The Work Rewards program data show that about 60 percent of the participants met with a CBO case manager at least once over the four years of follow-up — about half of these respondents (or 30 percent of the program group) had met with a case manager just once or twice since program enrollment; about 14 percent maintained more frequent contact with case managers, meeting with them five times or more. While the FSS program did reach a majority of those enrolled, nearly 40 percent of program group members had not interacted with a CBO case manager at the end of four years. Only about a third of the FSS-only households had received any service (as defined by the service milestones established for the CBOs) after Year 2 of the program. These estimates do not include participants' interactions with HPD case managers, which usually focused on issues related to the housing voucher, escrow balances, and home ownership.

Sample members who stayed connected to the program over the long term (that is, they received FSS services in Years 3 and 4) were more likely to have been employed at the time of random assignment than were those who did not participate during Years 3 and 4. However, as noted above, longer-term participation rates for both employed and unemployed sample members were extremely low.

- **More respondents reported receiving services related to asset building than to the work-related milestones.**

Despite the program's focus on work, less than half of the respondents reported that they had received any direct work-related support from the FSS program (for example, help finding a job, increasing wages or hours, or maintaining a job for specified time periods). In fact, more respondents were likely to report receiving services related to asset building than services related to the payment milestones. This finding can be explained partly by the needs of the clients and partly by the way HPD structured the performance-based contracts: CBOs earned milestone payments by providing help with accessing public benefits, building assets, or building human capital, needs that members of this population generally shared regardless of their work status.

- **Four years into the program, about 50 percent of the households had accumulated some savings in their FSS escrow accounts. Almost a third had more than $5,000 credited to their escrow accounts.**

The proportion of sample members in the FSS-only program group who had an escrow balance grew substantially, from less than 30 percent at 18 months to about 50 percent in Year 4. Among those who had escrow balances, the average balance was around $4,000, and almost a third of those with balances had more than $5,000 credited to their accounts. Those who were working at study entry were more likely to have an escrow balance by the end of Year 4 than those who were not working, but among participants with any escrow credits, those not working at study entry had higher escrow balances on average than those who were working. Escrow accrues only when earnings increase for the household, which is why the data show higher escrow balances for those who started working after they enrolled in the program. (While those who were working at enrollment might have had subsequent earnings gains, those gains were generally modest compared with the gains experienced by those who were not working at enrollment and subsequently found a job.) These escrow balances are not available to program participants until they graduate from FSS, but the savings can continue to grow until graduation.

FSS+Incentives

The special work incentives were available to the FSS+incentives group for two years (that is, through mid-2010) and rewards were paid out every two months, starting in September 2008. Participants had to complete and submit specially created coupons for claiming these rewards. Seedco also administered the reward payments system.

The incentives served to attract potential participants during the enrollment period, and compared with FSS-only, more FSS+incentives participants were likely to stay connected to the program at first. However, once the special work incentives ended in mid-2010, both the FSS-only and FSS+incentives groups showed about the same level of contact with the CBO case managers. On average, the FSS+incentives participants were more likely to report that they had received services from their CBO or another service provider. This pattern is evident across services related to benefits receipt, asset building, employment, and home-ownership counseling.

Related to escrow, the proportion of sample members in the FSS-only and FSS+incentives groups who had an escrow balance grew equally, to about 50 percent in Year 4. Among those who had escrow balances, the average balance was around $4,400 for the FSS+incentives group — a little higher than in the FSS-only group.

- **About 40 percent of FSS+incentives participants earned at least one reward payment, in most cases for full-time employment. Very few earned the education and training reward.**

When the special incentives ended after two years, 39 percent of the FSS+incentives group had earned at least one reward: 36 percent earned rewards for full-time work and 7 percent earned rewards for education and training. Individuals who earned any reward earned an average of $2,063 in incentive payments over the two-year period. Overall, most participants who earned rewards in Year 2 had also earned them in Year 1.

The receipt of the rewards for education and training remained low over the two years during which the rewards were offered. Since most of the rewards earned were for full-time work, it is not surprising that those who were employed full time at the start of the study were most likely to earn rewards from the program; 67 percent of adults who were working full time at random assignment had earned at least one reward. Those who were employed part time at random assignment were a little less likely to earn any rewards (41 percent), and those who were not working were least likely to earn rewards (24 percent).

Interim Impacts: Education, Employment, and Benefits

FSS-Only

Findings on the program's impacts are available on a wide variety of outcome measures covering about four years after families enrolled in the study.

- **The FSS-only intervention led to an increase in enrollment in education and training classes over the control group experience. However, this increase did not lead to an increase in participants' receipt of degrees or certificates during the four-year follow-up period.**

The FSS program offered clients help identifying and enrolling in education and training programs such as General Educational Development (GED) or English as a Second Language (ESL), as well as vocational training. Overall, the responses to the 42-month survey show that FSS-only increased participation in Adult Basic Education, GED, or high school classes during this period — from 9 percent for the FSS-only control group to 13.1 percent for the program group, a statistically significant difference. Increased enrollment in education and training did not, however, lead to increases in licensing, certification, or degree/diploma conferral.

- **Over the four years of follow-up, the FSS-only program had little effect on employment rates or average earnings for the core sample.**

Employment and earnings outcomes were measured using administrative records data from the New York State unemployment insurance (UI) system, which captures employer-reported wage data. As shown in Table ES.1, although a majority of sample members (69 percent of the control group) worked at some point during the follow-up period, many struggled to work steadily. In fact, only about 43 percent of control group members worked during an average follow-up quarter. The rates for those outcomes are only somewhat higher for the program group, and the differences are not statistically significant. Average earnings also differed little across the FSS-only program and control groups. Overall, the FSS program produced few statistically significant labor market impacts for the core sample.

- **During the first four years of follow-up, there is no evidence that the FSS-only intervention decreased receipt of Section 8 housing assistance.**

While leaving Section 8 housing assistance is not an FSS requirement, the program's employment and self-sufficiency focus could play a role in helping families give up voucher assistance or reduce their reliance on the housing subsidy, which could also free up vouchers and resources for other families and enable housing authorities to serve a larger population. HPD records show that about 90 percent of participants in each study group continued to receive housing assistance four years after they enrolled in the evaluation. (See Table ES.2.) There is little evidence that the FSS program by itself, four years into the study, had reduced housing assistance receipt or subsidy value. However, as noted above, the intervention did not produce earnings gains for the program groups as a whole, so this finding is not surprising.

- **Similarly, there is no consistent evidence that the FSS-only program decreased receipt of cash assistance (TANF/SNA).**

Successful completion of FSS requires participants and other household members on the voucher to be free of cash assistance (TANF/SNA) for a full 12 months before program graduation. Four years of follow-up data show no evidence that the program consistently reduced TANF/SNA receipt. There is some evidence that food stamp receipt may have decreased for those in the FSS-only group who were not working at the time of random assignment. The FSS program does not require participants to stop receiving food stamps as a condition of graduation, so it is not clear why this impact would emerge.

- **Forty-two months after random assignment, there was no evidence that FSS alone reduced poverty or the incidence of material hardship.**

Measures of poverty and material well-being are derived from responses to the 42-month survey, capturing dimensions of economic and material well-being while participants were still enrolled in FSS. Given that the interventions produced limited effects on income sources, such as earnings, it is not surprising to see the lack of effects on household income,

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Table ES.1

Four-Year Impacts on Employment and Earnings, FSS Study, Core Sample

Outcome	FSS-Only Program Group	FSS-Only Control Group	FSS-Only Difference (Impact)	FSS-Only Sig.	FSS-Only Change (%)	FSS+Incentives Program Group	FSS+Incentives Control Group	FSS+Incentives Difference (Impact)	FSS+Incentives Sig.	FSS+Incentives Change (%)
Core sample										
Ever employed (%)	72.4	69.4	3.0	NA	4.3	73.3	69.4	4.0 *	NA	5.7
Average quarterly employment (%)	45.2	42.6	2.6	NA	6.1	46.2	42.6	3.6 *	NA	8.5
Average earnings ($)	30,526	29,309	1,217	NA	4.2	30,962	29,309	1,653	NA	5.6
Sample size (total = 1,603)	546	534				523	534			
Not working at random assignment										
Ever employed (%)	60.2	55.6	4.6		8.3	65.6	55.6	10.0 ***	†††	18.1
Average quarterly employment (%)	27.6	23.9	3.7		15.6	31.7	23.9	7.8 ***	††	32.9
Average earnings ($)	14,900	12,269	2,631		21.4	17,995	12,269	5,726 ***	††	46.7
Sample size (total = 814)	270	273				271	273			
Working at random assignment										
Ever employed (%)	84.4	85.1	-0.7		-0.8	82.2	85.1	-2.8	†††	-3.4
Average quarterly employment (%)	63.1	63.0	0.1		0.1	62.8	63.0	-0.1	††	-0.2
Average earnings ($)	46,952	47,245	-292		-0.6	45,265	47,245	-1,980	††	-4.2
Sample size (total = 771)	271	254				246	254			

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records and Work Rewards Baseline Information Form (BIF) data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Differences across subgroup impacts were tested for statistical significance. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

NA indicates "not applicable."

The Opportunity NYC Demonstration: Work Rewards

Table ES.2

Impacts on Selected Outcomes Measuring Benefits Receipt, Material Hardship, and Banking, FSS Study, Core Sample

Outcome	FSS-Only Program Group	FSS-Only Control Group	FSS-Only Difference (Impact)	FSS-Only Change (%)	FSS+Incentives Program Group	FSS+Incentives Control Group	FSS+Incentives Difference (Impact)	FSS+Incentives Change (%)
TANF/SNA receipt								
Received TANF/SNA, Years 1-4 (%)	52.0	55.7	-3.7	-6.6	50.6	55.7	-5.1 *	-9.2
Amount received, Years 1-4 ($)	5,302	5,915	-613	-10.4	5,441	5,915	-474	-8.0
Food stamp receipt								
Received food stamps, Years 1-4 (%)	89.2	90.0	-0.9	-0.9	88.4	90.0	-1.6	-1.8
Amount received, Years 1-4 ($)	13,013	13,040	-27	-0.2	12,531	13,040	-509	-3.9
Section 8 housing								
Received Section 8 housing subsidy, Year 4 (%)	90.5	90.9	-0.3	-0.4	89.5	90.9	-1.4	-1.5
Total Section 8 housing subsidy, Years 1-4[a]($)	41,092	39,699	1,392	3.5	39,241	39,699	-458	-1.2
Sample size (total = 1,455)	492	487			476	487		
Material hardship (%)								
Household did not pay full rent or mortgage in past year	41.8	42.7	-0.9	-2.1	40.5	42.7	-2.2	-5.2
Household did not pay full utility bill in past year[b]	40.3	38.4	1.9	4.9	36.9	38.4	-1.5	-3.9
Household usually did not have enough money to make ends meet at end of month	51.1	51.7	-0.6	-1.0	50.9	51.7	-0.8	-1.5
Banking and savings (%)								
Respondent currently has any bank account	51.6	42.9	8.7 **	20.3	56.0	42.9	13.1 ***	30.5
Household has any savings	16.0	11.8	4.2	35.9	19.1	11.8	7.3 ***	62.1
Sample size (total = 1,152)	385	381			386	381		

(continued)

Table ES.2 (continued)

SOURCE: MDRC calculations using data from the New York City Human Resources Administration (HRA), the New York City Department of Housing Preservation and Development (HPD), and the Work Rewards 42-Month Survey. The benefit receipt data cover the period through June 30, 2013.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals. A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]Calculated subsidy amounts are Housing Assistance Payments (HAP) to landlords and do not include utility allowance payments.

[b]Utilities include gas, oil, and electricity.

poverty, and other dimensions of material well-being (shown in Table ES.2). Analysis of impacts on poverty and material hardship by employment status also revealed no differential impacts for this subgroup of study participants. The broader finding seems to be consistent with other research showing that some types of workforce interventions are able to improve employment and earnings but not enough to move families out of poverty.[8]

- **FSS increased the likelihood that voucher holders would be connected to mainstream banking and would have savings, and it reduced their use of check cashers.**

FSS encourages and helps clients to improve their credit, connect to mainstream banking, learn how to manage their finances, and build savings. Low-income households typically lack access to mainstream banking and credit services and rely on expensive alternatives like check cashers, who charge fees. Therefore, services in this domain could lead to improvements in financial well-being even in the absence of employment and earnings effects.

Four years into the study, 51.6 percent of the FSS-only group had a bank account compared with 42.9 percent of the control group (a statistically significant difference of 8.7 percentage points). With more FSS participants connected to mainstream banking, 28.7 percent of program group respondents, compared with 38 percent of control group respondents, reported using check-cashing establishments at least once a month (not shown), a statistically significant difference of 9.3 percentage points.

[8]See, for example, Charles Michalopoulos, *Does Making Work Pay Still Pay? An Update on the Effects of Four Earnings Supplement Programs on Employment, Earnings, and Income* (New York: MDRC, 2005).

While FSS-only increased savings somewhat among those in the program group, the 4.2 percentage point difference between the program and control groups was not statistically significant.[9] However, this gain in savings did not translate into reduction in debt or a change in the composition of debt (for example, car loans, student loans, or medical bills).

FSS+Incentives

Looking at the same types of outcomes, the longer-term data show generally similar patterns of effects for the FSS-only and FSS+incentives interventions. Like FSS-only, the FSS+incentives program increased enrollment in education and training activities relative to the control group, but it did not increase participants' receipt of degrees or certificates during the follow-up period. And while FSS+incentives (unlike FSS-only) did produce a small, statistically significant increase in employment rates, it did not improve average earnings for the core sample. However, unlike FSS-only, FSS+incentives produced large and sustained effects on employment and earnings for the subgroup of participants who were not working when they enrolled in the study. However, these earnings gains do not yet appear to have translated into reductions in housing subsidies or improvements in family well-being. Key findings from this intervention are highlighted here.

- **The FSS+incentives intervention produced large and sustained gains in employment and earnings for participants who were *not employed* when they entered the program. It did not improve earnings for participants who were already employed.**

Among participants who were *not working* at study entry, FSS+incentives increased the program group's average quarterly employment rate over the 48-month follow-up period by 7.8 percentage points relative to the control group rate of 23.9 percent, as shown in Table ES.1. It also increased the nonworking program subgroup's average total earnings by $5,726 — a gain of 47 percent over the control group average. In contrast, the FSS+incentives strategy had no positive effects on employment or earnings for individuals who were *already working* when they entered the program. (The differences in impacts across these two subgroup categories are also statistically significant, as indicated by the daggers in the table.) Thus, it appears that the intervention had dramatically different results depending on a participant's engagement in the labor force at the time of study enrollment: it clearly benefited those who entered the program needing jobs, but not those who were already working.

[9]Respondents were explicitly instructed not to include escrow balances as savings for the purpose of this question.

Early field observations and interviews with program participants indicated that already-employed individuals juggled multiple priorities, making it difficult to incorporate the FSS component of the intervention into their lives along with work and family responsibilities. In addition, many viewed the services that FSS offered as largely focused on work readiness and job search, and not likely to help them with employment advancement. Other studies that have carefully tested much more intensive initiatives for low-income, employed populations underscore the difficulty of helping working participants advance, suggesting, more generally, that it may be worthwhile to reexamine how FSS programs approach this challenge.[10]

It is also not possible to conclude with confidence that adding the financial incentives component to the main FSS program resulted in a more effective strategy than FSS alone for the unemployed subgroup. Although the employment and earnings impacts of the FSS+incentives program are consistently statistically significant for the unemployed subgroup and they are consistently larger for the FSS+incentives group than they are for the FSS-only group, the *differences in impacts* across the two interventions (perhaps because of small sample sizes) are not themselves statistically significant (not shown).

Four years after random assignment, and similar to FSS-only, there is little evidence that FSS+incentives reduced reliance on housing subsidies for the core sample. Despite the gains in employment and earnings for those who were not working at random assignment, there is no clear associated drop in Section 8 voucher receipt or value during the follow-up period.

- **There is some evidence that participants in the FSS+incentives program are beginning to give up cash assistance (TANF/SNA) and food stamps.**

In the FSS+incentives group, 21.7 percent of participants received TANF/SNA in the last quarter of follow-up (not shown), which represents a statistically significant drop from the control group value of 27.5 percent (–5.8 percentage points). Although FSS+incentives did not increase earnings or employment for participants overall, TANF/SNA receipt may be dropping for this group because of program graduation requirements. In order to graduate and receive escrow funds, participants must be free of cash welfare assistance for 12 consecutive months leading up to graduation. As FSS is designed to be a five-year program, participants might be expected to leave this assistance around the four-year mark.

[10]Richard Hendra, James A. Riccio, Richard Dorsett, David H. Greenberg, Genevieve Knight, Joan Phillips, Philip K. Robins, Sandra Vegeris, and Johanna Walter, with Aaron Hill, Kathryn Ray, and Jared Smith, *Breaking the Low-Pay, No-Pay Cycle: Final Evidence from the UK Employment Retention and Advancement (ERA) Demonstration* (Leeds, UK: Department for Work and Pensions, 2011); Cynthia Miller, Mark van Dok, Betsy L. Tessler, and Alexandra Pennington, *Strategies to Help Low-Wage Workers Advance: Implementation and Final Impacts of the Work Advancement and Support Center (WASC) Demonstration* (New York: MDRC, 2012).

Unlike FSS-only, there is some evidence that FSS+incentives reduced the percentage of households receiving food stamps in the last quarter covered by available data. Among FSS+incentives program group members, 69.4 percent reported receiving food stamps in the last quarter of Year 4, compared with 77.1 percent of control group members. The –7.7 percentage point difference is statistically significant, suggesting that FSS+incentives reduced food stamp receipt. As mentioned earlier, the FSS program does not require participants to forgo food stamps to graduate. Given the lack of earnings gains for the FSS+incentives group overall, the impact is somewhat surprising, but there is no evidence that these impacts were pronounced in the nonworking subgroup, which experienced the noted gains in employment and earnings.

Given that FSS+incentives did not produce overall impacts on UI-reported earnings or receipt of public benefits, it is not surprising to see the program's lack of effects on income, poverty, and other dimensions of material well-being (shown in Table ES.2). Analysis of impacts on poverty and material hardship by employment status at random assignment also revealed no differential impacts for this subgroup of study participants. Given the earnings gains experienced by the group that was not working at study enrollment, it is somewhat puzzling why those gains did not translate into broader effects on well-being. However, as already noted, this finding is generally consistent with other studies showing that workforce interventions with positive earnings effects have not produced substantial reductions in material hardship or improvements in reported well-being.[11] It may be that the earnings gains need to be larger in order to have appreciable consequences for poverty and well-being.

- **Similar to FSS-only, FSS+incentives appears to have had positive effects on some aspects of participants' financial behaviors.**

Four years after study entry, 56.0 percent of the FSS+incentives program group reported having a bank account compared with 42.9 percent in the control group (a statistically significant difference of 13.1 percentage points). Those in the FSS+incentives program group were also more likely to have a checking account in particular (50.7 percent versus 38.2 percent, a difference of 12.4 percentage points). While program participants needed to have bank accounts for their incentive payments, they maintained their connections to mainstream banking long after they stopped receiving those payments.

There is also some evidence that the program reduced the use of check cashers and increased savings. Among those in the FSS+incentives program group, 19.1 percent reported having "any savings," versus 11.8 percent in the control group, a statistically significant difference of 7.3 percentage points. Similarly, the gains in savings did not translate into a reduction in debt or a change in the composition of debt.

[11] See, for example, Michalopoulos (2005).

Findings from the Incentives-Only Study

The third intervention that was tested as part of the Work Rewards demonstration offered voucher holders the same set of special work incentives as those offered to the FSS+incentives group, but it did not include any of the FSS components. Underlying this design is the assumption that many services already exist in the community that can help participants find work or obtain further training. The incentives-only model tests whether the cash reward offer by itself motivates participants to take the extra steps to pursue workforce goals on their own.

This incentives-only intervention targeted NYCHA voucher holders with household incomes at or below 130 percent of the federal poverty level. The households that were recruited for this study were randomly assigned to one of two groups: a program group that was offered the special incentives and a control group that was not offered the incentives. The outcomes for this study sample were tracked using administrative records alone.

Seedco and a network of four CBOs operated the incentives-only program from mid-2008 to mid-2010. NYCHA helped design the demonstration but it did not have a direct role in program operations once the study sample had been enrolled. Because participants in the incentives-only group were not offered other services, their interactions with program staff were structured largely around program orientation sessions, referrals to services upon request, and guidance on program rules.

The sample for assessing the effectiveness of the incentives-only strategy includes 1,318 nonelderly and nondisabled individuals who were enrolled between January and October 2008. As was true for the FSS samples, these individuals are a diverse group in terms of measured background characteristics, and generally reflect the characteristics of all NYCHA voucher holders with household incomes at or below 130 percent of the federal poverty level. They are also broadly similar to HPD voucher holders in the FSS study sample.

- **By the time the incentives offer ended in mid-2010, nearly half of the incentives-only program group had earned at least one reward payment, in most cases for full-time employment. Few earned rewards for completing approved education or training activities.**

About 49 percent of the participants earned an incentive payment in the 24 months that the incentives were offered: 49 percent earned at least one reward for sustaining full-time employment, while only about 6 percent earned rewards for education or training. On average, participants who qualified for any rewards earned $2,213. Those who were more likely to earn rewards had better labor market prospects when they entered the program. For example, they had more education, were less likely to have health-related barriers to work, and were much more likely to be working already.

- **The incentives-only program did not produce statistically significant impacts on employment or earnings over 3.5 years of follow-up.**

Nearly 75 percent of the incentives-only program group worked at some point during the follow-up period, which is only slightly higher than the 74 percent rate for the control group (and not statistically significant). Employment was not steady for either group, with just over 48 percent working in an average quarter. Although voucher holders who were enrolled in the incentives-only program group had somewhat higher earnings than did those in the control group, the difference was not statistically significant.

- **The incentives-only program did, however, increase household income (which includes earnings, public benefit amounts, and the program's reward payments) in Years 1 and 2, while households in the program group could earn reward payments.**

Looking across various income sources, the longer-term findings show that offering work incentives increased total household income (which includes earnings, TANF/SNA, food stamps, and, for the incentives-only program group, reward payments) in the first two years of the program but did not produce impacts on each income source separately. This finding suggests that the income gains were driven by the reward payments during the program period. The incentives-only program reduced the dollar amount of food stamp benefits received over the follow-up period. In the absence of the program's impact on earnings, the source of this effect is unclear. As in the case of the FSS+incentives intervention, it may be a result of the program's effect on other, nonenrolled family members' earnings, which may have reduced the amount of food stamps received. The final report will continue to explore this pattern.

Conclusion

Work Rewards is part of a growing portfolio of evidence on strategies to promote self-sufficiency among populations who receive housing assistance. The interim findings so far suggest that FSS by itself, at least as implemented in New York City, is not effective in improving employment, earnings, or the material well-being of participants. However, while the Work Rewards experience offers important insights, these lessons are only for one program. Housing authorities across the country operate FSS, and MDRC is currently leading a national evaluation of the program, commissioned by HUD, that is very important for drawing conclusions about the effectiveness of FSS for populations beyond New York City. Additionally, while the Work Rewards demonstration is yielding evidence about the potential value of a new strategy that involves direct financial work incentives offered outside the existing rent structure — incentives combined with FSS and offered alone — the evidence so far shows that the resulting gains in employment and earnings were not sufficient to raise participants out of poverty or to consist-

ently reduce their reliance on public benefits, suggesting that more must be done to help this population advance in employment once it is secured. There is a need for interventions that can generate bigger effects — that is, that can help people with varying levels of education and work readiness to make significant steps toward becoming self-sufficient. The lessons generated by the Work Rewards demonstration provide a foundation on which to build a stronger model.

The Work Rewards evaluation will continue to monitor key outcomes for another 12 months, providing a full five years of follow-up on sample members. The final report, scheduled for release in 2016, will indicate whether participants graduate from FSS and receive escrow, and whether the patterns of impacts on employment, earnings, and benefits receipt persist or change as the participants approach program completion. The final report will also include a benefit-cost analysis.

Chapter 1

Introduction

In 2007, New York City launched the Work Rewards demonstration, a new initiative testing distinct strategies for promoting earnings and well-being among participants in the Housing Choice Voucher (HCV) Program (also known as "Section 8," after Section 8 of the Housing Act of 1937), which provides rent subsidies. As the first randomized controlled trial of the federal Family Self-Sufficiency (FSS) program, which is described later in this chapter, Work Rewards tests the effectiveness of a local implementation of the FSS program alone, as well as FSS combined with a set of special work incentives, or "reward payments." As a separate experiment, Work Rewards also tests the effectiveness of the same work incentives by themselves — that is, without an FSS component. All three interventions target voucher holders with household income under 130 percent of the federal poverty level.[1] An initial report, published in 2012, presented some early findings of those interventions.[2] The current report looks at their longer-term effects.

Work Rewards was designed as a collaboration among New York City's Center for Economic Opportunity (CEO), the city's two housing authorities — the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Authority (NYCHA) — and MDRC and Seedco, both New York-based nonprofit organizations. Part of the Office of the Mayor, CEO develops and evaluates innovative antipoverty strategies in New York City. MDRC is a nonpartisan education and social policy research organization with extensive experience conducting large-scale demonstration projects using random assignment research designs to build evidence on what works to improve the well-being of low-income families. Seedco, which was involved with the demonstration through December 2010, works with community institutions to create economic opportunities for low-income families.

The demonstration is part of a cluster of three studies collectively known as Opportunity NYC. Implemented in New York City beginning in 2007, each study used cash rewards to promote activities expected to build human capital — that is, the skills and capacities that will improve families' chances of escaping poverty. The two other projects being studied are:

- **Family Rewards,** a comprehensive "conditional cash transfer" program that offered cash incentives to low-income families based on children's progress

[1] In 2007, the federal poverty level for a family of three was $17,170, and 130 percent of the poverty level for such a family was $22,321 (http://aspe.hhs.gov/poverty/07poverty.shtml).

[2] Verma et al. (2012a, 2012b).

in school, families' preventive health care practices, and adults' work and training efforts[3]

- **Spark**, an education-focused incentives program designed to improve school performance of fourth- and seventh-graders. The program rewarded good performance on standardized tests that were administered over the course of the academic year[4]

Both Family Rewards and Spark were fully supported by private funding. Work Rewards received both private and public funding.[5] The private funding and CEO's city tax dollars helped HPD sustain and enhance its existing FSS program and helped cover the cost of the special work incentives. Until 2007, around the time this project was being developed, HPD's FSS program had been receiving support from the U.S. Department of Housing and Urban Development (HUD).[6] In 2011, HUD support for the FSS program resumed. CEO funding for Work Rewards ended in July 2010, as planned.

All three projects — Family Rewards, Spark, and Work Rewards — rely on a random assignment design to assess their effectiveness, which is considered the strongest design for determining program effects. In such studies, participants are randomly assigned to a program group, which is exposed to an intervention, or to a control group, which is not, and the differences in outcomes between the two groups indicate the program effects, or "impacts." Similarly, two (or more) different program groups can be exposed to different interventions and their respective outcomes compared. MDRC is conducting the evaluation of Work Rewards, while Seedco, along with a small group of community-based organizations (CBOs), operated the Work Rewards demonstration.[7]

The Work Rewards evaluation will cover a follow-up period of up to six years after random assignment, which began in 2008, depending on the data source. The current report, the

[3]MDRC is evaluating Family Rewards. See Riccio et al. (2013) for a description of the project and its emerging findings.

[4]Spark was evaluated by Harvard Education Labs, which developed the project in partnership with the New York City Department of Education. See www.edlabs.harvard.edu for additional information.

[5]The private funders include Bloomberg Philanthropies, The Rockefeller Foundation, The Starr Foundation, Open Society Foundations, Robin Hood Foundation, American International Group (AIG), Tiger Foundation, The Annie E. Casey Foundation, The John D. and Catherine T. MacArthur Foundation, and New York Community Trust.

[6]HPD's FSS program did not receive HUD funding in 2007; as described later, housing authorities submit annual grant applications to receive FSS funding. The Work Rewards demonstration, which was being designed and developed in 2007, provided an opportunity to implement the New York City Poverty Commission's recommendation to test a new model for delivering FSS services. (See New York City Center for Economic Opportunity, 2006, 2009.)

[7]Seedco also operated Family Rewards, along with a small group of neighborhood organizations, some of which are engaged in Work Rewards.

second in a series on Work Rewards, examines the participants' experiences from the start of the program in April 2008 through late 2013. The report also updates findings on the program's impacts on employment and earnings, and includes new measures on well-being and a host of other outcomes over approximately four years of follow-up. A final report is slated for 2016.

In December 2012, MDRC published a report on the program's early findings, covering the first two and a half years.[8] That period included the program's start-up phase as well as a stage when the program was beginning to mature. The initial findings showed that the three interventions — FSS alone ("FSS-only"), FSS in combination with the special work incentives ("FSS+incentives"), and the special work incentives alone ("incentives-only") — had no overall consistent effects on voucher holders' labor market outcomes. That is, they produced little consistent improvement in employment and earnings through the same follow-up period for the full sample.

However, FSS+incentives produced large increases in average quarterly employment rates and average earnings for voucher holders who were not working at the time they enrolled in the study. This pattern was also evident for unemployed participants in the FSS-only group, but the effects for that group were smaller and not statistically significant, and, therefore, less certain. (Statistically significant impacts are unlikely to have occurred by chance alone.) Using self-reported data on the receipt of Supplemental Nutrition Assistance Program (SNAP) benefits (or "food stamps," the benefit's former and still commonly known name), the early analysis also showed that among food stamp recipients at study entry, those in the FSS-only group were more likely than their control group counterparts to work in a given quarter, and their average earnings were higher. The incentives-only intervention also produced sizable and statistically significant increases in earnings for participants who were food stamp recipients, but had no effects for participants who were not food stamp recipients. However, as described later in this report, further analysis reveals that these early impact findings disappear when agency administrative records data are used to define food stamp receipt at program entry.

Consistent with the early findings, the longer-term results in this report show that the three interventions produced no clear gains in employment or earnings for the study samples overall. However, FSS+incentives continued to demonstrate strong employment and earnings effects for participants who were not working at the time of random assignment. Beyond employment and earnings, there is no evidence that the interventions reduced poverty, receipt of government benefits, including housing, or the incidence of material hardships. However, both FSS-only and FSS+incentives appear to have led to some improvements on various indicators of financial well-being, which was a focus of the FSS interventions. For instance, both programs increased the number of participants who are connected to mainstream banking, reduced the use

[8]Verma et al. (2012a, 2012b).

of check cashers,[9] and increased the number of people reporting that they had any savings. This may have contributed to the observed positive effect on perceived financial well-being.

The remainder of this chapter reviews the Work Rewards demonstration, the program models tested, and the overall approach for evaluating each intervention. This chapter also provides a brief update on how the program continued to operate after CEO funding ceased in 2010. Subsequent chapters present findings to date on the participants' experiences and impacts. For a detailed discussion of the origins of the demonstration and the early implementation experiences, see MDRC's 2012 report.[10]

The Federal Family Self-Sufficiency Program

HUD's FSS program is the main federal strategy to support employment among housing voucher holders and help them build financial security. Established in 1990 by Section 554 of the Cranston-Gonzalez National Affordable Housing Act, the idea for FSS emerged against a backdrop of policy discussions about persistent poverty among participants of government benefit programs. Jack Kemp, the Secretary of Housing and Urban Development from 1989 to 1993, a strong proponent, argued for the creation of programs that promoted economic mobility and eventually helped families make the transition off government assistance.[11]

Nationally, most FSS programs are operated by housing authorities administering public housing or housing voucher programs.[12] As defined by HUD regulations, FSS programs are structured around two core components: an escrow savings account (a longer-term financial incentive for households to increase work and earnings, described in more detail later) and coordination of supportive services geared toward obtaining and maintaining employment. Together, these components are expected to help families increase earnings from work, reduce reliance on cash assistance programs, and build assets and make the transition to financial independence. With the exception of the escrow account, local housing authorities can decide how best to deliver case coordination within the resources provided — an element of the flexibility offered by the original legislation. To that end, HUD requires public housing authorities to develop an action plan that lays out their role and expectations for program participation, gradua-

[9]Improved connection to mainstream banking can improve financial well-being because people who must rely on check cashers to access their pay can incur fees that, in New York State, can reach 2 percent of the check amount (www.dfs.ny.gov/legal/industry_circular/banking/il150215.htm).

[10]Verma et al. (2012a).

[11]See Emple (2013) for a discussion of the origin of the FSS program.

[12]While HUD funds housing authorities to operate FSS for HCV tenants and public housing residents, this discussion is focused on HUD's Housing Choice Voucher FSS programs. The description of FSS draws on Emple (2013), Cramer and Lubell (2005), Ficke and Piesse (2004), Lubell (2004), and HUD and other public documents.

tion, and interim disbursement requirements, as well as participants' responsibility for maintaining program eligibility.

Participation in FSS is voluntary. Once enrolled, individuals complete a Contract of Participation, which specifies their goals and steps for making progress toward self-sufficiency. Over the course of five years, which can be extended to a total of seven years, participants are expected to achieve the goals laid out in their contract.[13] The case coordination services offered through FSS are expected to help participants access services needed to achieve their self-sufficiency goals. While all adults in FSS households are encouraged to seek employment, only the household head — or the voucher holder — is expected to meet the terms of the FSS contract. Participants can "graduate" from FSS when they achieve their goals within the terms of the contract (usually within five years), or when 30 percent of their income is equal to or exceeds their contract rent.

The escrow account is designed to encourage voucher holders to increase their work effort and build savings. In the HCV Program, any increase in household income results in an increase in the amount of rent the recipient must pay. To work around the potential dampening effect this increase might have on individual employment decisions, FSS allows residents to save money through an escrow account while paying more in rent: FSS participants pay more rent when their earnings increase, but the housing authority credits the family's escrow account with an amount that is based on the increases in earned income during the term of the participant's FSS contract; that is, escrow balances grow when earnings grow. Thus, the potential to build assets is meant, for example, to encourage participants to go to school and make longer-term plans for the future, with the ultimate goal of producing other important effects for family well-being, such as more financial security, the possibility of moving out of subsidized housing, and home ownership. The housing authority manages these accounts and shares annual statements with participants to keep them informed about their escrow balances.

Accrued escrow deposits are paid out upon completion of the FSS Contract of Participation. To graduate from FSS, the head of household, who is required to sign the contract, must complete the activities in the Individual Services and Training Plan, be employed, and become independent of cash welfare assistance — that is, no member of the family is receiving Temporary Assistance for Needy Families (TANF) cash assistance for at least the last 12 months before graduation.[14] Other household members' earnings are factored into the escrow calculation, but the graduation terms are tied to the head of household. In other words, even if escrow is

[13]Circumstances beyond the participant's control, such as involuntary loss of employment or serious illness, may qualify a participant for an extension.

[14]According to HUD rules, the receipt of food stamps (through SNAP), medical assistance, child care assistance, work supports such as transportation assistance or short-term benefits under TANF, or disability benefits for another family member are not considered "welfare assistance."

generated by an increase in earnings from someone other than the head of household, the family is not eligible to receive escrow at the time of graduation if the head of household is unemployed — a potentially problematic aspect of the escrow component for multigenerational families. No restrictions are placed on FSS participants' use of their escrow funds, but housing authorities report that families use their resources to start a new business, buy a home, or pay for education, among other uses.[15] Interim disbursements are also considered by some programs, as long as participants use the funds to meet approved expenses related to their self-sufficiency goals.[16]

While escrow is a key feature of FSS, few data exist on the extent to which FSS participants benefit from this component. For example, do most FSS participants accrue escrow, and how much escrow do they graduate with? A recent HUD study sheds some light on such questions. Tracking 181 FSS participants from 14 programs across the country, the study showed that after four years in FSS (less than the full five-year term of the program), 24 percent of the study participants had met program requirements and graduated, with an average escrow balance at the time of graduation of about $5,300; 37 percent left the program before graduating, forfeiting their escrow; and the status of 39 percent remains unknown because the participants were still enrolled in FSS when the study ended.[17] MDRC's own reconnaissance for a new national FSS evaluation funded by HUD (described later in this chapter) suggests that programs experience varying graduation rates, with some reporting rates as high as 50 percent graduating with escrow and others reporting about one-fourth or less achieving this outcome.[18]

Participants may terminate their engagement in FSS at any time without losing their housing voucher. But participants who leave FSS without completing their contract or who fail to comply with HCV or FSS program requirements could lose their escrow savings. Participants can also be terminated from FSS for failing to comply with the program rules.

HUD provides housing authorities with modest funding for FSS program coordinators to manage the program and ensure that participants are linked to appropriate services. In 2013, HUD funded 700 housing authorities to operate FSS, reflecting approximately $60 million in funding. To put this amount in context, in 2012, HUD's budget included close to $19 billion for the entire HCV program, with a small fraction set aside for FSS.[19] The FSS grants offer a maximum of $69,000 (including fringe benefits) for each full-time coordinator position, with no

[15]Personal communication with HPD staff members.

[16]As described by program operators, partial disbursements of the escrow before graduation from the program can be approved for expenditures such as tuition, car purchase, credit repair, home ownership, or business start-up.

[17]de Silva, Wijewardena, Wood, and Kaul (2011).

[18]These percentages are based on MDRC's discussions with housing authorities participating in the national HUD FSS evaluation reconnaissance and site selection efforts.

[19]Center on Budget and Policy Priorities (2011).

provisions for program management or other related administrative costs.[20] Analysis of the fiscal year 2012 grants shows that the size of the programs funded can range from as few as 5 participants in the smallest program to as high as 1,000 in the largest.[21] As expected, within each housing authority, FSS programs serve an extremely small portion (just about 5 percent) of all HCV families.[22] Thus, while FSS potentially represents the largest, and only, formal self-sufficiency program for voucher holders, the restrictions on the use of federal funding (travel, educational, or training expenses, for example, are ineligible) along with the ceiling on salary — which limits the experience, expertise, and educational background of the staff — as well as the limited local resources, in turn affect the programs' ability to address the challenges faced by the participant population.

Beyond the funding constraints that keep the FSS programs small, the rules related to maintaining a Section 8 voucher are complex and challenging for residents, who are not often willing to take on additional rules and requirements by entering into an FSS contract with "the government." One survey of a few hundred FSS program operators suggests that the fear of losing housing assistance and other public assistance benefits for not fulfilling the Contract of Participation is a key factor that keeps families from enrolling.[23] Distrust of social programs also appears to work as a potential barrier. The reasons offered by FSS coordinators appear similar to those offered by the tenants themselves in other studies — perspectives consistent with MDRC's own discussions with FSS participants.[24]

Overall, FSS remains a small program at the federal and local levels. While most program operators use creative strategies to leverage local resources to make more services available to their households, its reach remains limited. That said, and as noted above, FSS is the only federal initiative aimed at helping voucher holders improve their work outcomes and reduce their need for housing subsidies and other government benefits.

Study Design

Policymakers have increasingly focused on the importance of promoting work among families who receive public housing assistance. On the one hand, it is hoped that raising the employment

[20]FSS funding is available from HUD to support FSS coordinators through a competitive Notice of Funds Availability (NOFA) process. Housing authorities have to apply for this funding on an annual basis. The number of HCV FSS participants served is used to determine the number of coordinator positions for which a housing authority can apply — for example, 25 HCV FSS participants qualifies a housing authority for one coordinator position, 75 participants for two positions, and so on in increments of 50. However, housing authorities may not receive the full level of funding needed to operate their programs, as in the case of HPD.

[21]These figures are based on MDRC's analysis of HUD FSS grant awards for 2012.

[22]de Silva, Wijewardena, Wood, and Kaul (2011).

[23]Rohe and Kleit (1999).

[24]Rohe (1995); Rohe and Kleit (1997).

and earnings among voucher holders and increasing their progress toward self-sufficiency will be important in terms of improving their economic well-being and overall quality of life. On the other hand, promoting work among these families is also important in terms of making the housing subsidy stretch — increasing work-eligible tenants' employment and earnings so they can give up housing assistance more quickly, or at least require smaller subsidies (housing or other government assistance), which would free up resources to serve more eligible families with a fixed amount of funding. The Work Rewards demonstration was developed to test various strategies to promote self-sufficiency with all of this in mind.

The demonstration encompasses two distinct but related random assignment studies. The first one — the FSS study — involves individuals who are receiving housing vouchers from HPD. HPD, which operates one of the largest FSS programs in the country, agreed to subject its program, which it was beginning to modify in 2007, to a test as part of the Work Rewards demonstration. As shown in Figure 1.1, eligible HPD voucher holders in the FSS study were randomly assigned to one of three research groups: FSS-only, FSS plus the special work incentives (referred to as "FSS+incentives" in this report), and a control group that receives neither FSS nor the special incentives (with a few exceptions, discussed below). The analysis comparing the FSS-only group with the control group shows whether HPD's implementation of the FSS program in New York City improves work, earnings, and other indictors of well-being compared with the control group. Comparing those who were offered the FSS program alone with those who were offered FSS plus the special work incentives will show whether the immediate work incentives "add value" to the effects that FSS produces on its own.

The second study in Work Rewards, which is testing the effectiveness of the work incentives alone (without an FSS program), targets NYCHA voucher holders. Sample members who were recruited for the incentives-only study were randomly assigned to two groups: a program group, whose members were offered the special work incentives, and the control group (also shown in Figure 1.1), who were not offered any incentives. Unlike FSS, this intervention does not include provision of case management, job coaching, or supportive services. The incentives are intended to encourage participants to take on the extra steps involved in finding available resources in the community, or in pursuing workforce goals of their own.

Special work and education incentives were included in both the FSS study and the incentives-only study to test whether the offer of a more immediate financial incentive geared toward promoting work would help counteract the potential effects of the rent rules governing housing vouchers. Per HUD regulations, voucher holders pay 30 percent of their adjusted income in rent, with the government making up the difference. Thus, an increase in a household's income normally results in a rent increase. Hypothetically, the rent structure discourages work because for every additional dollar in earnings reported by the family, nearly a third (around 30

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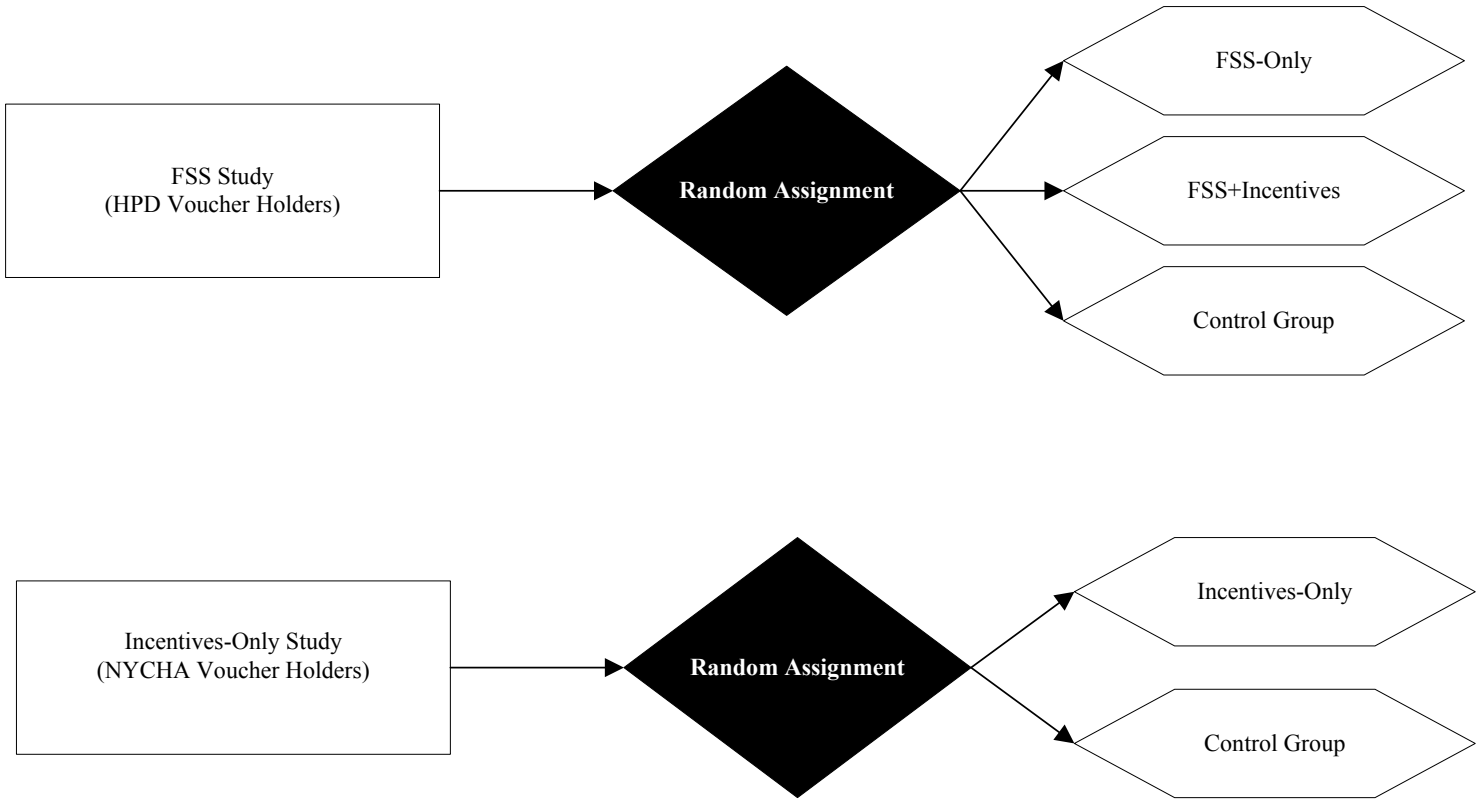
Figure 1.1

Research Groups in the Family Self-Sufficiency and Incentives-Only Studies



cents) goes to increased rent payments. The FSS program's escrow component is intended to help address this problem by saving an amount based on the earnings-generated rent increases on behalf of the tenant. However, the escrow strategy can be difficult to explain to tenants, since tenants must still pay higher rent and do not have access to the money saved for them for several years.[25] There is also reason to believe that the long-term nature of the escrow savings limits the appeal of the program and its work incentives to a narrower — and more selective — slice of the potentially eligible population of residents than would other alternatives that offer more immediately accessible rewards. The special work incentives, in contrast, do offer a more immediate reward for boosting earnings through sustained full-time work and for acquiring human capital that might improve tenants' earnings capacity in the future. Thus, it might appeal to more people and have a more immediate effect on their workforce decisions.

It may be, of course, that the FSS program and the special work incentives would make a bigger difference in combination than either of these programs would make alone. For example, the work incentives offer might strengthen a participant's interest in striving to work more steadily and to build skills, but the participant may need services and supports in order to do so. The FSS program would be there for that person, offering case management, job coaching, and service referrals — plus a longer-term work and asset-building incentive (that is, the escrow component). Perhaps encouraged by the direct and immediate incentive, voucher participants may take much fuller advantage of what FSS has to offer them than they would normally. Recognizing that a combined FSS+incentives intervention might be especially potent because of its mutually reinforcing features, the demonstration includes this option as one of the interventions it tests.

The incentives were offered for two years, and rewards were paid out every two months, starting in September 2008. Participants claiming rewards had to complete and submit a coupon from a coupon book that was specially created for the program and had to provide supporting documentation indicating that they had met the conditions for claiming the reward. Working with the CBOs and a financial payment organization,[26] Seedco administered the reward payments system, which entailed reviewing coupons submitted by participants, verifying compliance with the rewards criteria, authorizing payments, and contracting with a financial institution partner to transfer payments electronically to participants' accounts. Families could access their cash rewards at any time after deposits were made into their bank accounts. The City's Office of Financial Empowerment (OFE) worked with several banks and credit unions to

[25]Further, escrow savings are based on a HUD formula that considers the earned income of all family members and do not necessarily match the increase in rent.

[26]GrantsPlus provided this service and made payments directly into participants' bank accounts or stored value cards (similar to a gift card).

develop special "Opportunity NYC" accounts that carry no fee and come with ATM cards that carry no overdraft risk.[27]

The Family Self-Sufficiency Study

HPD is the largest municipal housing preservation and development agency in the nation. It operates the fifth-largest voucher program in the United States, administering about 33,000 vouchers serving all five boroughs in New York City. HPD's vouchers are reserved for applicants who meet specific preference categories — homeless families or households needing to relocate because of HPD renovation, for example. Applications are not accepted from the general public and must be submitted through different divisions within the agency, from various housing providers, and from other governmental agencies.[28]

In 2007, at the start of Work Rewards, HPD was operating a small FSS program in New York City through a contract with LaGuardia Community College's Division of Adult and Continuing Education. The goal of this partnership was to acquaint families with a college environment and related resources.[29] Based in Queens, New York, the FSS program provided employment-related assistance and support services to program participants citywide, but they had to travel to Queens to receive those services — not an easy or quick commute for the many individuals who live in other boroughs of the city. The housing authority changed this arrangement by engaging CBOs in the Bronx, Manhattan, and Brooklyn to operate FSS in diverse parts of these communities for HCV recipients — a shift to make the program more accessible to voucher holders throughout the city. While this direction was a change for New York City's FSS program, HUD's regulations allow housing authorities to use different administrative structures to operate the program. The designers of Work Rewards also intensified the program's focus on work-related case management, requiring the CBOs to be more proactive and invest more time in follow-up, striving for a higher level of interaction with participants than seen in the program before Work Rewards was launched.

Roughly 26 percent of the households receiving HPD vouchers in 2007 were eligible for Work Rewards — that is, their household income fell within 130 percent of the federal poverty level.[30] While HPD's voucher program serves a broader range of low-income households,

[27]The following institutions agreed to offer this special account: M&T Bank, Amalgamated Bank, Bethex Federal Credit Union, Brooklyn Cooperative Federal Union, Carver Federal Savings Bank, CapitalOne, CheckSpring, Neighborhood Trust Federal Credit Union, and Settlement Federal Credit Union.

[28]New York City Housing Authority (n.d.).

[29]The partnership between HPD's FSS program and LaGuardia Community College is recognized by HUD as a "promising practice" to be emulated by public housing authorities seeking to enhance service provision.

[30]In 2007, the federal poverty level for a family of three was $17,170, and 130 percent of the poverty level for such a family was $22,321 (http://aspe.hhs.gov/POVERTY/07poverty.html).

the cut-off used for Work Rewards is the same as the eligibility standard used for food stamps and a number of other public benefit programs that serve very low-income families, making it a widely accepted benchmark for identifying families in need of government public assistance programs. Eligibility for enrolling in FSS programs is not determined by income; any voucher holder is eligible for the program, but the lower income-eligibility threshold used in Work Rewards was seen as a way to target those voucher holders who are most in need of an intervention that focuses on self-sufficiency.

All adults in an eligible household who wanted to participate in Work Rewards were required to enroll in the program at the same time. Individuals who were recruited from the pool of eligible HPD voucher holders were randomly assigned by MDRC to two program groups and one control group:

- Participants who were assigned to the **FSS-only** group completed a Contract of Participation and became eligible for building escrow. They were also offered case management assistance to set employment goals and access job search, education and training assistance, and supportive services, as shown in Table 1.1.

- In addition to FSS case management and the escrow account, participants who were assigned to the **FSS+incentives** group were offered special cash work incentives for achieving two employment-related activities: securing full-time work and completing approved education or training courses (described below).[31]

- Individuals who were assigned to the **control group** were not eligible for services or the special incentives through the FSS study. However, if interested in FSS, control group members were eligible to apply to the FSS program operated by HPD at LaGuardia Community College, which was not part of the Work Rewards demonstration but had a history with the FSS program and its population.[32] FSS enrollees at LaGuardia were allowed to sign up for the escrow account and were able to access FSS services offered through LaGuardia (but not through the CBOs that were selected to deliver

[31]Approved education and training programs included programs listed on New York State's "Eligible Training Provider List" and those approved by New York City's Department of Small Business Services, the New York Bureau of Proprietary School Supervision, and New York State's Office of Higher Education.

[32]Voucher recipients who were normally eligible to enroll in FSS could not be denied program services.

Table 1.1

Services Offered to Research Groups in the FSS and Incentives-Only Studies

	FSS Study			Incentives-Only Study	
Services Offered	FSS-Only	FSS+Incentives	Control Group[a]	Incentives-Only	Control Group
Case management services	Yes	Yes	No	No	No
Matched escrow (savings) account	Yes	Yes	No	No	No
Work incentives[b]	No	Yes	No	Yes	No
Information on community resources	Yes	Yes	Yes	Yes	Yes

NOTES: [a]If interested in FSS services, control group members were eligible to apply to the FSS program operated by the New York City Department of Housing Preservation and Development (HPD) at LaGuardia Community College. Eighty-one control group members (about 17 percent of the control group) signed up for FSS, which allowed them access to FSS services and the escrow savings account.

[b]"Work incentives" refers to the cash "reward payments" that participants could earn immediately for meeting employment and training requirements; they do not include the escrow account. Work incentives were offered for a two-year period, starting in September 2008.

FSS services for the Work Rewards demonstration). Allowing the control group to enroll in FSS did not pose a significant threat to the evaluation.[33]

For those in the FSS+incentives group, the special work incentives were available for two years following enrollment in the study. As a way to support and encourage investment in their own immediate employment and human capital development for their longer-term economic well-being, the participants earned modest incentives when they met the following two work-related conditions:

- **Sustained full-time employment.** To receive this reward, a participant had to be employed for at least 30 hours per week for six weeks out of every two

[33]As of July 2013, 81 members (about 17 percent) of the control group signed up for FSS services at LaGuardia Community College. For the sake of the study, it would have been important to keep the control group from enrolling in the FSS program, but it would not have been fair to deny them access to the escrow account, which they were entitled to receive if they requested it. In the national FSS study, described later in this chapter, control group members do not have this type of option because the sites included in that study do not operate more than one FSS program.

months (two months making up a program "activity period"). Allowing for some periods of "no work" was a way of acknowledging that low-wage workers face a fair amount of job turnover and may take time to find a new job. Participants who worked the minimum amount received $300 every two months, or up to $1,800 per year. The cash reward was intended to create an incentive for participants to get a job or, if already working part time, to move into full-time work. Participants working 40 hours per week at $8 per hour, for example, could increase their net wages by 11 percent, to about $8.90 per hour, if they earned the program's employment reward.

- **Successful completion of approved education and training courses.** Full compliance with this condition earned a participant $300, $400, or $600 for a course, depending on its length, up to a total of $3,000 for the duration of the program. The program's designers hoped that these amounts would appeal to participants. For example, $300 for completing a 35-hour training program would translate into $8.57 an hour, which exceeded the minimum wage in 2008. Originally, this reward was given for combining work and training, and the participant was required to work at least 10 hours per week while attending an approved training course of at least 35 hours, which also had to be completed successfully.[34] This minimum work-hours requirement was an attempt to discourage participants from remaining unemployed or from dropping out of the labor force in order to undergo training. However, given the low take-up rate of this incentive, and the possibility that the economy was affecting participation in this activity, the minimum work-hours requirement was eliminated for the second year of the program.

Participants could qualify for both work and education incentives, and payments were made electronically into their bank accounts, which the program helped establish for those who did not already have one. Rewards earned could be withdrawn at any time. The reward payments did not count as income, so they did not affect the calculation of a person's rent subsidy.[35]

As described here, the FSS interventions that were tested in New York City are distinct in a few important ways from the program's typical operation elsewhere in the country. First, HPD recruited community organizations to operate its FSS program, a switch from how the

[34]Instruction could include not only specific occupational skills training, but also instruction in English as a Second Language (ESL), Adult Basic Education (ABE), and General Educational Development (GED) preparation.

[35]Work Rewards payments did not affect TANF, food stamps, housing subsidies, or the Earned Income Tax Credit, but they could potentially count in determining eligibility and payment amounts for Supplemental Security Income.

program operated before Work Rewards began. Neither the organizations nor their program staff had a deep understanding of FSS or housing rent rules, and it took time for them to learn the more complicated elements of the program — for example, escrow accounts. In a more typical FSS program, operated at a housing authority, housing subsidy specialists are available to help FSS program staff and to clarify for families how their earnings, rent, and escrow balances interact.

Second, in keeping with the FSS study's guidelines, the community organizations made an effort to reach a representative subset of eligible voucher holders from recruitment lists made up of randomly selected households and to encourage them to enroll in the study — thus, by design, making an effort to increase the reach of the program well beyond the most motivated families. This approach contrasts with the practice of FSS programs nationally, which enroll tenants who are interested in FSS or prioritize participants who are most motivated to enroll. Further, families who were recruited into the FSS study were informed that they would be assigned to one of three groups, including a control group — a situation that is not standard for FSS nationally.

Third, Work Rewards targeted voucher holders with household incomes at or below 130 percent of the federal poverty level, an effort to test the program on those who might need it the most. Combined with aggressive recruitment, the goal was to enroll a reasonably representative sample of targeted households in order to test the effectiveness of the program for a broad group of economically disadvantaged tenants, not just those who volunteer for a self-sufficiency program. Thus, outcomes from this demonstration best represent the experiences of the types of voucher holders targeted by the Work Rewards FSS study.

Fourth, and finally, the use of additional financial incentives for certain work-related behaviors, over and above the distant escrow account, is another feature that distinguishes Work Rewards' FSS program. While the federal FSS framework itself does not stop housing authorities from offering additional financial incentives to motivate work and human capital development, the funding constraints under which the program operates make this type of feature almost impossible for the housing authorities to consider.[36] Nonetheless, it remains a viable option for housing authorities that have more flexibility with their funding.

[36]However, housing authorities with Moving-to-Work (MTW) designations, a demonstration program for public housing authorities, have more flexibility and can use their HUD funding to offer various types of financial incentives. The MTW designation gives housing authorities more flexibility with how they use their federal funds.

The Incentives-Only Study

NYCHA, the largest public housing authority in the United States, provides affordable housing to many low- and moderate-income residents throughout New York City.[37] Unlike HPD, it does not have a preference list for selecting families for its voucher program, and families select their own housing, which must meet certain rent and quality standards.

At the start of Work Rewards, NYCHA was administering housing vouchers to about 81,610 households. Of these, 32,179 (almost 40 percent) met the demonstration's income eligibility criterion. However, NYCHA operated a small FSS program, with fewer than 500 families enrolled in FSS around the time the Work Rewards demonstration began, and the agency was not planning to scale up its program and enroll large numbers of participants into FSS to support a random assignment test of the program.[38] Hence, given the small size of NYCHA's FSS program, individuals who enrolled in the incentives-only study were subjected to an intervention that included just the special work incentives; that is, the NYCHA participants who enrolled in Work Rewards were not offered an FSS component.

Eligible voucher holders were randomly assigned to two groups: an incentives-only program group and a control group, as shown in Figure 1.1:

- **Incentives-only group.** Sample members who were assigned to this group were offered cash incentives for achieving the two employment-related activities described above (sustaining full-time work and completing education and training).

- **Control group.** Sample members who were assigned to this group were not offered cash incentives for completing work-related or education and training activities.

The incentives-only study tests whether attaching more immediate cash incentives to work-related activities (compared with the distant reward of escrow savings) produces positive labor market and other effects. Unlike FSS, the incentives-only intervention did not offer any proactive case management or customer services to the program group, or an escrow account. Participant interactions with program staff were structured around information sessions, referrals to employment and other supportive services providers when requested by the participant, or assistance with program rules. Undergirding this design is the assumption that many services already exist in the community that can help participants find work or obtain further training. The incentives-only model tests whether the offer by itself motivates participants to take the extra steps to pursue work-related goals on their own.

[37] See www1.nyc.gov/site/hpd/section-8/applicants.page.

[38] These data were obtained from NYCHA at the launch of the Work Rewards demonstration.

Program Delivery and Implementation Update for the FSS Study

Described in detail in the first Work Rewards report, HPD entered into contracts with five CBOs: one in the Bronx, two in Brooklyn, and two in Manhattan.[39] As shown in Table 1.2, some of the CBOs served participants in the FSS study and some in the incentives-only study; two served those in the FSS and incentives-only studies. The newly engaged CBOs were new to the FSS program, or to random assignment research, but were well-established providers in their respective communities. Both the designers and the providers had to learn the program within a very short start-up period.

HPD executed five three-year, 100 percent performance-based contracts with all the CBOs, meaning that these contracts were structured around prespecified milestones and the CBOs were paid only when those milestones, or "payment points," were met. (See Table 1.3.) Milestones were geared toward activities and services that were expected to help address important family needs and contribute to employment results over the longer term. None of the contracts exceeded $200,000 per year. Further, the CBOs had no guarantee that the contracts would be extended beyond three years, which may have influenced these organizations' overall commitment to the demonstration. Two of the CBOs ceased providing services before the contracts expired because of the difficulty they encountered with the contract structures and cash flow.

Early in the implementation stage, the program designers perceived a need to strengthen the program's focus on employment in the nearer term. Starting in April 2009, MDRC, Seedco, and HPD restructured the service delivery strategy so that it would focus more directly and immediately on the employment needs of participants. The service milestones were revised to make sure they were aligned with services that would help participants advance toward their self-sufficiency goals. MDRC, Seedco, and HPD also recognized the need to focus more attention on the escrow account. Early observational and interview data had revealed that many participants did not fully understand how the escrow account worked, and CBO staff also struggled with the details of the program. (However, HPD staff were available to assist clients, if needed.) Seedco and HPD developed a marketing strategy to ensure that participants were aware of the escrow account and its benefits. CBO staff were also trained so that they could have more meaningful conversations with participants about the escrow.

With CEO funding for Work Rewards ending in mid-2010, HPD executed contracts with three of the original CBOs — BronxWorks, CAMBA, and Northern Manhattan Improvement Corporation — to continue FSS program operations. In 2011, with full support for FSS

[39]See Verma et al. (2012a). In spring 2009, one of the Manhattan CBOs ceased providing services, and all clients were transferred to the other Manhattan CBO. Likewise, in spring 2010, one of the Brooklyn CBOs ceased providing services, and all clients were transferred to the other Brooklyn CBO.

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Table 1.2

Community-Based Organizations Operating the Work Rewards Interventions

Borough/Neighborhood, Partner Organization	Type of Community Organization	Program Group Served
Brooklyn		
CAMBA	Community services organization	• FSS-only • FSS+incentives
St. Nicks Alliance[a]	Community development corporation	• FSS-only • FSS+incentives • Incentives-only
Brooklyn Housing and Family Services	Housing support services organization	• Incentives-only
Bronx		
BronxWorks	Workforce development center	• FSS-only • FSS+incentives
Phipps Opportunity Center	Community services and educational center	• Incentives-only
Manhattan		
Northern Manhattan Improvement Corporation	Community services organization	• FSS-only • FSS+incentives • Incentives-only

SOURCE: MDRC field research.

NOTES: The table does not include the 8 community-based organizations that were involved in the enrollment stage of the project.

[a]On May 1, 2010, St. Nicks Alliance stopped providing services to the incentives-only participants. Brooklyn Housing and Family Services assumed the role of customer service provider for program participants who were previously assigned to St. Nicks Alliance.

now coming exclusively from HUD, HPD directed the Work Rewards CBOs to expand their services beyond the FSS study participants — that is, to those who had been enrolled in FSS prior to the launch of the study through LaGuardia Community College. While these participants had been eligible to receive services at LaGuardia Community College after the launch of Work Rewards, but not at the Work Rewards CBOs, they were now being invited to receive

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Table 1.3

Family Self-Sufficiency Program Milestone Submission Guide

FSS Milestone	How CBOs Document Milestones
1. Needs assessment (definition of payment point includes needs assessment, credit check/score, and self-sufficiency plan)	Copy of completed needs assessment form with caseworker and client signature; copy of credit score; print-out of screening summary for Self-Sufficiency Calculator, *Earn* Benefits, or Access NYC.
2. Case management and follow-up services	Copy of progress notes; copy of completed Case Manager Referral form; attendance sheets of CBO activities such as peer support sessions; phone logs; referral forms documenting client contact.[a]
3. Linked to family-based support services	Copy of referral form and confirmation of participation or acceptance into program.
4. Attended financial literacy class or other asset-building service	One of the following: copy of certificate of completion from agency, bank/Individual Development Account (IDA) statement, or credit counseling documentation.
5. Linked to benefits or work supports	One of the following: copy of completed Case Manager Referral form or copy of benefit receipt letter/notice. If using *Earn* Benefits, submit one of the following: copy of "My Results" page or copy of screening history with benefit receipt follow-up note. If using a comparable tool, connect with HPD to identify a similar approved page.
6. Credit improved	Document tasks undertaken to improve score (debt consolidation, copy new credit score, etc.).
7. Started employment	Copy of pay stub or letter of employment on company letterhead.
8. Continuous employment – 30 days	Dated pay stub or employer letter.
9. Continuous employment – 90 days	Dated pay stub or employer letter.

(continued)

Table 1.3 (continued)

FSS Milestone	How CBOs Document Milestones
10. Continuous employment – 180 days	Dated pay stub or employer letter.
11. Wage gain/promotion	Copy of health insurance documentation or letter from employer on letterhead detailing change in job title.
12. Began education/training program	Copy of registration or letter from course instructor on letterhead.
13. Education upgrade	Copy of GED certificate or awarded degree/certificate.

SOURCE: Seedco program materials.

NOTES: CBO is community-based organization.
HPD is the New York City Department of Housing Preservation and Development.
GED is General Educational Development.
[a]Starting in 2012, HPD relaxed the documentation requirements for this milestone.

services at those CBOs, along with those who were enrolled in Work Rewards. (These participants are not considered part of the Work Rewards study sample.)

In addition, as participant engagement began to thin out, the CBOs expressed frustration that their client base was not robust enough to support a lot of services. To reinvigorate the program, HPD had the CBOs initiate broad outreach to enroll new program participants, this time including voucher holders who were collecting unemployment benefits (so not just those under 130 percent of the poverty level, the target group for the Work Rewards sample). According to HPD, these individuals were in most immediate need of employment assistance and probably better positioned to take advantage of FSS — they had some work experience, and they had held their last job long enough to be able to collect unemployment benefits. With the infusion of new FSS participants, the CBOs focused their services on those more newly enrolled in FSS (that is, program participants who were not part of the demonstration), possibly diverting some of the effort that would have been targeted toward those enrolled in the study.

The overall partnership/contract arrangement among HPD, Seedco, and the CBOs also changed after CEO funding ended in 2010. Up to that point, even though MDRC did not have a direct operational role in the demonstration, MDRC staff observed program practices and

offered formative feedback to Seedco, HPD, and the CBOs. Once CEO funding ended, MDRC's technical assistance role ended as well. On the operations side, HPD, which was administering the CBO contracts and payments in addition to overseeing and reconciling the escrow deposits, assumed Seedco's management and oversight role, which had ended, and worked directly with the CBOs to oversee their contracts and performance management with no increase in staffing or budget.

The CBOs continued to use the original 13 milestones. The cap on the case management milestone was lifted, and the documentation for achieving the milestone was relaxed, partly a response to some of the operational challenges experienced in the first few years of the demonstration. For example, starting in 2012, the CBOs could claim the case management milestone by documenting two phone conversations with the participant (simply a phone log and notes). Previously, to receive payment for this milestone, the CBOs had to provide extensive documentation of contact with the participant. Relaxing documentation requirements reduced the burden related to milestone submission, which program staff noted was a huge distraction.

On the services side, in an attempt to leverage partnerships and foster more collaboration, HPD tried to get the CBOs to refer clients to each other and to stop functioning independently. This approach would allow participants to take advantage of the different resources each CBO had to offer. (For example, one CBO offered superintendent training while another may have offered security guard certification.) HPD also tried to introduce a standard referral form, so that participants could use the same forms with all the CBOs, but this effort did not succeed because each CBO had its own procedures to follow. Beyond efforts to increase interagency coordination and collaboration, HPD created a short-term intergovernmental Memorandum of Understanding with the NYC Office of Financial Empowerment to provide individual financial counseling to FSS graduates and upcoming graduates on how to best use their escrow savings.[40] As of late 2013, OFE staff had met with about 30 participants who were going to be graduating within the year. OFE counselors scheduled one-hour meetings with each client privately to discuss their financial stability and to make recommendations about how best to handle their financial concerns (for example, pay off debt).

In 2012, with the five-year FSS term within sight for much of the Work Rewards sample, HPD instituted a structured "Year 4 check-in" with program participants. HPD targeted participants with some escrow for the Year 4 meeting. Staff used the meetings to make sure that participants were aware of their graduation requirements and were actively working toward meeting them. The meeting was also used to remind participants that they could forfeit their escrow if they did not meet the requirements. As explained earlier, per HUD regulations, to be

[40]HPD opted to focus this balance on counseling in the areas of financial literacy, career advancement, home ownership, and general case management services. HPD also planned to use the additional resources to hire partners to offer Section 8 Home Ownership Counseling and business development services.

eligible for escrow the head of household is required to be working on the day of graduation — and all members in the household are required to be off cash assistance for 12 consecutive months leading up to graduation.[41] HPD also used this meeting to make sure participants completed the Contract of Participation in a way that was consistent with HUD's requirements.

Evaluation Data

This report provides an ongoing look at participant experiences and the emerging impacts on employment, earnings, and other well-being outcomes that the alternative interventions of FSS alone, FSS plus special incentives, and special incentives alone produced for housing voucher holders. To do so, the report draws on almost four years of quantitative and qualitative information. (See Table 1.4 for the time periods covered by each source.) Data discussed in subsequent chapters include administrative data on employment, earnings, welfare and food stamp payments, housing data obtained from various New York City and New York State agencies, program data on FSS services and milestones, and data from an in-depth survey completed with FSS study participants about 42 months after they enrolled in the program.[42] A similar survey was not conducted with the incentives-only study participants.

The report also examines how the three interventions' effects vary in terms of individuals' circumstances when they entered the study — in particular, their employment status and their food stamp receipt status. When preparing the study's analysis plan, the researchers hypothesized that the effects of the interventions might differ according to participants' work history, as suggested by prior research on programs that encourage work.[43] The effects may also differ for individuals receiving food stamps compared with those who are not, because the receipt of food stamps, like the receipt of housing assistance, may deter people from working, since these benefits are also "taxed away" as earnings rise. The incentive to work created by the FSS program and the reward payments may therefore lead to larger effects for this group by offsetting the work disincentive created by food stamps.

[41]As noted earlier in this chapter, adult family members other than the head of household can obtain employment and increase their earnings, thus generating escrow for the household, but the escrow would be denied if the head of household for Section 8 purposes is not employed at the time of graduation.

[42]The survey had an overall response rate of 79 percent, with similar results for the program and control groups. For further details on the survey and response bias analysis, see Appendix A.

[43]Hendra et al. (2011); Michalopoulos (2005).

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Table 1.4

Data Sources and Coverage Periods for This Report

Data Source	Months for Which Data Were Collected
Unemployment insurance wage records	April 2005 - September 2013
Temporary Assistance for Needy Families/Safety Net records	April 2005 - September 2013
Food stamp (SNAP) records	April 2005 - September 2013
Work Rewards participation data from Seedco	July 2008 - June 2013
Housing authority records from HPD	January 2008 - June 2013
Housing authority records from NYCHA	January 2008 - December 2012
Program observations and staff interviews	January 2008 - October 2013
Tenant survey (FSS study only)	September 2011 - April 2012

NOTES: The follow-up period for each quantitive measure calculated with administrative records is 4 years from each participant's random assignment date. The follow-up period for each measure on the tenant survey is about 42 months from each participant's random assignment date.

Beyond Work Rewards: HUD's National Evaluation of the Family Self-Sufficiency Program

While Work Rewards provides a comprehensive and rigorous assessment of FSS, it focuses on a single city and on a program that was implemented in ways that differ from FSS implementation in many other cities: It targeted very low-income voucher holders and it used a programmatic framework that prioritized a focus on work in the short term. In March 2012, HUD selected MDRC to conduct a national evaluation of FSS, making it possible to build on the New York City experience and further test whether HUD's foremost employment and self-sufficiency initiative is helping voucher holders achieve economic independence and improve their quality of life.

The national evaluation will provide evidence on the effectiveness of FSS across a diverse set of cities and local contexts and as implemented in a variety of ways for diverse populations. If the findings on FSS as part of the Work Rewards demonstration and in the national FSS demonstration line up, they would provide reinforcing evidence on the effectiveness of FSS for certain groups of voucher holders. Where findings diverge, they may point to im-

portant lessons about how context, strategies, and types of people enrolled influence the program's effectiveness.

The national FSS study also includes random assignment and a comprehensive evaluation agenda, encompassing detailed implementation research, impact analyses, and a benefit-cost analysis. The study involves about 2,600 voucher holders from 18 housing authorities across the country. The evaluation, which began in 2012, is slated to end in 2018.

Structure of This Report

This report unfolds in two parts: It first describes the results from the FSS study in Chapters 2 through 4, and then turns to the incentives-only study in Chapter 5. This structure allows a description of the experiences and impacts for each intervention separately, with the final chapter highlighting some cross-cutting lessons and observations. Specifically, Chapter 2 contains a description of participants' experiences and the intermediate effects for the FSS study, which focused on HPD voucher holders. Chapter 3 presents the impacts of FSS (both with and without the special work incentives) on employment, earnings, and benefits receipt. Chapter 4 examines the impacts of FSS on well-being — material, personal, and financial. Chapter 5 presents the program impacts for the incentives-only study (conducted with the NYCHA voucher holders). Chapter 6 concludes with lessons and observations for future FSS and employment-focused interventions. It also discusses the implications of the lessons from Work Rewards for the newly launched HUD FSS national evaluation.

Chapter 2

Participation and Engagement in the Family Self-Sufficiency Program

The two core components of the Family Self-Sufficiency (FSS) program, which the Work Rewards demonstration is testing, are an escrow savings account and coordination of supportive services for participating families. These components are intended to help families increase earnings, reduce reliance on public cash assistance programs, and build their assets. Households that were assigned to the FSS-only program group in the Work Rewards demonstration were eligible to participate in the escrow savings program and to receive supportive services; households that were assigned to the FSS+incentives group could, in addition, earn incentive payments (or "reward payments") every two months for either working full time or attending education and training programs (or both).

The Work Rewards programs offered a broad range of social services that were coordinated by participating community-based organizations (CBOs), with a primary focus on encouraging work. Of the 13 milestones for which the participating CBOs could be paid under their contracts with the New York City Department of Housing Preservation and Development (HPD), 5 could be achieved only if the participant was working, and the others were supportive services that were designed to point those in the FSS program toward better job-related outcomes. The escrow account, credited whenever a household's share of rent increases as the result of an increase in earnings, and available for up to five years, was intended to both reduce the inherent disincentive for participants to work (and either pay higher rent or earn too much to keep their voucher) and increase a household's long-term assets.

This chapter investigates program engagement and service receipt among sample members in the FSS study who were assigned to the FSS-only and FSS+incentives program groups,[1] including referrals to a wide range of education, asset-building, and family services. It examines the FSS services from the sample members' perspective, first by describing their understanding of the FSS program and then by looking at their case management and service receipt experiences. Participant engagement over four years after the time of random assignment to the Work Rewards study groups is also discussed. The first MDRC report on Work Rewards showed that

[1]The FSS sample members discussed in this chapter are from the "core sample," which excludes elderly and disabled sample members. A small number of Hasidic Jews (less than 10), representing the study setting, New York City, are also excluded from the core sample because it would be difficult to generalize from the experiences of this group to the larger, national population of housing voucher recipients. See Verma et al. (2012a) and the supplement to this report, Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

during the first 18 months of the program, individuals in the FSS+incentives group were more likely to receive services or achieve milestones than those in the FSS-only group.[2] This finding suggests that the cash work incentives played a role in encouraging engagement in case management as well. Therefore, the current analysis compares experiences and service receipt across the two FSS program groups.

Furthermore, participation levels are presented by work status at the time of random assignment. As discussed in Chapter 1, impacts for both programs may have been stronger for those who, at the time of random assignment, were not working, since the move into any work may be less difficult than the move to more and better work.

In brief, the findings indicate the following:

- About 60 percent of FSS study participants reported meeting with their case manager at least once over 42 months, and most of these participants met with their case manager only once or twice during the follow-up period. Engagement was stronger in the FSS+incentives group at first, but dropped to parity with the FSS-only group once the incentive payments ended after two years.[3]

- While a large majority of participants were satisfied with their experiences with the FSS program, only about a fifth reported that the program had helped them find work within 42 months. About half reported that the program staff tried to help them improve their financial literacy or credit scores 42 months after they enrolled in FSS.

- By the fourth year of the demonstration, about 50 percent of the households that were enrolled in the FSS study had accrued escrow balances, and almost a third of these households had more than $5,000 credited to their accounts. Those who were working at the time of random assignment were more likely to have an escrow balance by the end of Year 4 than those who were not working, but among participants with any escrow credits, those who were not working at the time of random assignment had higher escrow balances on average than those who were working. This finding suggests that the payoff (in terms of increased escrow credits) for moving from not working to work-

[2]Verma et al. (2012a).

[3]For most of the sample in the FSS+incentives group, incentive payments were made between July 2008 and July 2010. Some sample members who were randomly assigned later, or who had to make corrections to their bank account information, received incentive payments after July 2010.

ing was greater than the payoff for either increasing work hours or finding a better job.

- About 40 percent of FSS+incentives participants earned at least one incentive payment. Those who were already working at random assignment were most likely to have earned payments. About 20 percent of those who were not working at random assignment earned an incentive payment for finding and maintaining full-time work for at least two months.

Data Sources and Follow-Up Period

The analyses presented in this chapter draw on a variety of data sources. Data collected from Baseline Information Forms at the time of program enrollment are used to describe the Work Rewards FSS study sample, which includes both the FSS-only and FSS+incentives sample members. To examine participant engagement, the analysis uses an FSS service receipt database that CBOs and HPD used to track the milestones that were achieved for four years from the time of random assignment. Since service providers used this system as a way to track payment points for qualifying milestones, staff may have prioritized tracking services until they reached their payment caps, which means the system may not include services that were provided to FSS clients after the caps were reached.[4] This is mainly a concern for the early years; in Year 3, payment caps for specific milestones were eliminated.[5]

Escrow accrual patterns are calculated from administrative data provided by HPD, available for four years from the time of random assignment.[6] Reward payment rates and

[4]In the CBOs' initial FSS contracts, some milestones had "payment caps" — maximum dollar amounts that staff were allowed to claim for reaching them — to prevent staff from focusing more on easier-to-reach milestones (such as completing or updating a needs assessment) to the exclusion of the other, more difficult ones (such as starting employment). Additional details are available in Chapter 2 of Verma et al. (2012a).

[5]Data were tracked for every adult in the FSS-only and the FSS+incentives program groups so that the CBOs could be paid appropriately under their HPD contracts. This database, however, may be more reliable as a payment tracking system than as a case management system — aside from the payment caps, participation may be underreported because the verification documents that are required to show that a milestone was achieved are in some cases difficult to collect. The database also does not capture information about individuals' interactions with HPD staff.

[6]The escrow accrual data from HPD are available for every household in the FSS study sample, including the control group. The 2012 report about Work Rewards (Verma et al., 2012a) explains that since FSS is open to all voucher holders, control group members could enroll in the FSS program on their own, although few did. They would access FSS services at LaGuardia Community College — where people received services if they had enrolled in FSS before the Work Rewards demonstration began — instead of at the CBOs that served the FSS-only and FSS+incentives groups. Control group members could also take advantage of the FSS escrow offer. At the 18-month point, about 4 percent of the control group had escrow balances; at the end of Year 4, 7

amounts are estimated using program participation data that Seedco maintained.[7] Data on participants' experiences with escrow, FSS services, and reward payments are from a survey administered to heads of households in the study about 42 months after the time of random assignment.

Who Enrolled in the FSS Study?

The New York City Department of Housing Preservation and Development engaged 14 community-based organizations to recruit 2,100 eligible households across a variety of New York City communities.[8] Located in the boroughs of the Bronx, Brooklyn, and Manhattan, the CBOs contacted and enrolled households that were identified through lists of income-eligible voucher holders compiled by HPD. The recruitment process began in January 2008 with an intended completion time of four to six months, but the CBOs encountered a number of obstacles that required extending the recruitment period to January 2009. By that time, the CBOs had successfully enrolled 1,947 volunteer households, representing about 93 percent of the original target. Appendix Table B.1 shows the sample build-up over the 12-month enrollment period. It also indicates the proportion of families reaching the end of their five years in the FSS program in 2013.

The sample enrolled in the FSS study included more elderly (above age 62 in this study) and disabled individuals than had been expected who may not have been able to pursue employment-related activities. The main analyses in this report exclude disabled and elderly individuals in order to learn how the FSS program affected employment and earnings outcomes for low-income voucher recipients who are likely to be the targets of an employment-focused intervention. This group is referred to as the "FSS core sample." However, analyses for core, elderly, and disabled samples combined (referred to as the "full sample" here) are provided in the supplement to this report.[9]

Appendix Tables B.2 and B.3 show the characteristics of the households and adults at the time of random assignment, combining all program and control group members in the FSS core sample. The households that enrolled in the FSS study were predominantly single-adult

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percent of the control group had escrow balances. Since these numbers are so low, the control group is not included in this analysis.

[7]These data are available for every adult in the FSS+incentives group and contain comprehensive information for every two-month activity period on coupon submissions and resubmissions, whether the requirements were met for each incentive, dollar amounts earned, and dollar amounts disbursed to the participants' bank accounts. The data cover the full incentive earning and payment operation time period, which spans from July 2008 through May 2011.

[8]See Chapter 2 in Verma et al. (2012a) for full details on the sample recruitment and enrollment process.

[9]Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

households with children (63 percent). Households with more than one adult included some households with married parents and some households with adults of multiple generations living together. Because of their low incomes, study sample households were also often receiving non-housing public benefits at the time of enrollment, with 18 percent receiving Temporary Assistance for Needy Families (TANF), 67 percent receiving food stamps, and 77 percent receiving public health insurance. In fact, only 13 percent reported not receiving TANF, food stamps, or public health insurance. The take-up rate of public benefits suggests that the final sample generally met the established income targets for the study; only 9.6 percent of households had earnings above 130 percent of the federal poverty line, the criterion used to recruit families for the study.

Case Management, Service Receipt, and Patterns of Program Participation

Case Management

HPD structured its FSS program so that enrolled sample members could meet with staff or access services on an as-needed basis. Even though the FSS program provided work-related services as a primary means to reach self-sufficiency, some sample members who may not have been work-ready still enrolled to access supportive services that they might have deemed useful. For example, FSS staff could help adults with removing barriers to work by referring them to child-care providers or helping them to build their long-term human capital through referrals to credit improvement or financial literacy classes. Households that were enrolled in FSS had a variety of needs, so the heads of households also reported a variety of reasons for enrolling in the program.

The 42-month survey provides data on respondents' reasons for enrolling in FSS and interactions with case managers since enrollment. Some of the survey responses may reflect a recall issue (that is, survey respondents may not have remembered all their interactions with program staff), especially since most respondents had reported infrequent or no meetings with a case manager. In addition, most of the respondents' first meetings with FSS staff had occurred more than three years before they responded to the survey, so the calculations of case management receipt rates presented in this section are likely underestimated.

Table 2.1 presents these reasons for enrolling in the FSS program, recalled by respondents about 42 months after they had already enrolled. Respondents could provide multiple rea-

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Table 2.1

Reasons for Participating in the FSS Program, Core Sample

Outcome (%)	FSS-Only	FSS+ Incentives
Reasons for signing up for FSS		
Get help with work-related goals	74.4	76.3
Get help finding work	55.4	58.7
Get help finding a better job	52.2	51.5
Get help keeping current job	21.4	24.0
Get help with personal issues that make having a job difficult	20.6	24.4
Get help with accessing services, such as day care, food bank, etc.	24.8	26.2
Get help finding different or better housing	36.4	37.3
Other	30.7	26.4
Left the FSS program before Year 5	11.1	15.6
Sample size (total = 771)	385	386

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.
This table excludes control group members because it pertains only to the FSS program.
Rounding may cause discrepancies in calculating sums and differences.
Sample sizes may vary across measures because of missing values.

sons for enrolling in the program, so these reasons are not mutually exclusive.[10] About three-fourths of respondents reported enrolling in FSS for a work-related reason. Slightly more than half of all respondents reported that they signed up for FSS to find a job, or to find a better job. About a fifth of the respondents were seeking help with keeping their current jobs. Some adults also reported reasons that were not explicitly job-related; about one-fourth were seeking supportive services and about a third were looking for help with housing issues. As might be expected, respondents who were not employed at the time of random assignment were more likely

[10]Respondents were asked whether they signed up to get help (1) finding work, (2) finding a better job, (3) keeping a job, (4) dealing with personal issues that make it difficult to have a job, (5) accessing services to help the family, such as day care, a food bank, and the like, (6) finding different or better housing, and (7) for some other reason.

to report that they signed up to get help finding work, and those who were employed were more likely to report that they wanted help to find a better job. (See Appendix Table B.4.)[11]

Since families were interested in a variety of services offered by the FSS program, they interacted with different frequencies and for different reasons with program staff. Table 2.2 details the participants' interactions with FSS staff over a 42-month follow-up period. On average, about 60 percent of respondents had met with an FSS case manager, and about half of these respondents (or 30 percent of each program group) had met with a case manager just once or twice since program enrollment.[12] Those in the FSS+incentives group did appear to meet more often with FSS case managers, with over 21 percent reporting more than five case management meetings, compared with just 14 percent of the FSS-only group. This finding is consistent with the engagement findings in the 2012 report, which described more program engagement among those in the FSS+incentives group in the first 18 months after enrollment — possibly driven, at least in part, by staff who were specifically trained to provide guidance on documentation requirements for earning the work and training incentive payments.[13]

Interviews with case management staff at the CBOs in Years 2 and 3 revealed that the CBOs continued to have difficulty with engaging FSS clients who were never active, and therefore staff were more focused on providing services to the clients who were already engaged. Although over 1,200 individuals (including elderly and disabled individuals, who are not in the FSS core sample) were enrolled in either the FSS-only or the FSS+incentives group, across the six CBOs, many were not active, so staff did not perceive their caseloads as heavy, nor did they attribute the size of their caseloads to the challenges they faced in engaging their clients with the FSS program.

Although work is a primary focus of the FSS program, FSS staff can provide a combination of work- and nonwork-related services to help families become self-sufficient. While about half of the adults in each program group had talked to a case manager about work-related

[11]It is puzzling why individuals who were not working at the time of random assignment would report that they enrolled in a program to find a better job or to keep a job. Since survey respondents were asked to report on their reasons for enrolling 42 months after they had enrolled, the responses might reflect some recall bias. For example, if respondents had spells of employment shortly before or after the time of random assignment, or if they had received employment services from FSS after finding a job, their recollection of why they had enrolled might be shaped by those events. The responses to these questions might reflect their perception of available services in FSS rather than the actual reasons they had in mind at the time of enrollment.

[12]This low rate of interaction with a case manager is indicative of continued low engagement with the program since the 18-month point and is a consideration for the participation analysis over time, presented in the next section.

[13]Verma et al. (2012a).

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Table 2.2

FSS Case Management and Services Received, Core Sample

Outcome (%)	FSS-Only	FSS+ Incentives	Difference (Impact)	P-Value
Ever met with FSS case manager	58.9	64.6	5.7	0.116
1-2 times	32.2	27.0	-5.2	0.134
3-5 times	12.5	16.6	4.1	0.131
More than 5 times	14.1	20.9	6.8 **	0.016
Talked with case manager about anything	57.5	64.1	6.6 *	0.069
Work	47.4	52.1	4.7	0.208
Housing	21.9	28.2	6.4 *	0.055
Landlord	12.0	16.3	4.4 *	0.099
Financial problems	27.2	32.5	5.3	0.130
Health	14.1	14.4	0.3	0.918
Other	14.2	19.2	5.0 *	0.078
Completed a career plan or set up goals with case manager	44.1	47.7	3.7	0.330
Reviewed or updated career plan with case manager	23.0	26.8	3.7	0.261
Discussed using FSS escrow account with case manager	36.8	38.9	2.1	0.569
Ever received assistance from LaGuardia Community College's Division of Adult and Continuing Education	36.8	33.9	-2.9	0.422
In contact with the FSS program in the last 3 months	19.3	24.0	4.7	0.125
Expect to be involved with the FSS program in the next 3 months	63.8	68.5	4.7	0.214
Satisfied or very satisfied with the FSS program	72.4	76.9	4.4	0.178
Dissatisfied or very dissatisfied with the FSS program	23.6	20.9	-2.7	0.401
Would recommend FSS program to a friend	83.3	85.5	2.2	0.409
FSS helped participant find a job	20.1	23.8	3.7	0.229
FSS helped participant save money in an escrow account	38.1	38.1	0.1	0.983
FSS helped participant repair his or her credit	15.9	22.4	6.5 **	0.027
Sample size (total = 771)	385	386		

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

This table excludes control group members because it pertains only to the FSS program.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

issues, about a third of the respondents reported receiving case management on financial problems, and about one-fourth received case management on housing issues. Individuals in the FSS+incentives group were slightly more likely to meet with a case manager about housing and landlord problems than those in the FSS-only group.

As an introduction to the FSS program, sample members should have had an initial meeting with case managers to complete a needs assessment and a career plan for the next five years. However, just over 40 percent of individuals, or about two-thirds of those who reported meeting with a case manager, remembered completing a career plan. Even fewer, or just over a third of the respondents in both program groups, had discussed the use of the FSS escrow account.

Even though few respondents said that they had been in contact with the FSS program for the past three months, about two-thirds expected to be involved in the next three months — possibly because the last year of the five-year program was approaching and they needed to plan for graduating from the program and gaining access to any escrow savings they might have accrued.

In terms of the target outcomes for FSS, about a fifth of respondents reported that FSS had helped them find jobs, even though, as reported earlier, more than half of them had enrolled in the program to do so. About 40 percent said that the program helped them save money in their escrow accounts, and less than one-fourth of either program group indicated that the program had helped them repair bad credit.

The participation levels among respondents who were not working at the time of random assignment were slightly lower, on average, than the levels of those who were working. This is somewhat surprising, since early findings suggested that the FSS program had more to offer to nonworking than working individuals.[14] However, the incentive payment offer appears to have boosted some program engagement for the nonworking subgroup on a number of outcomes. Among those who were not employed at the time of random assignment, for example, respondents in the FSS+incentives group were more likely to report talking to a case manager about any topic, more likely to report that FSS had helped them find a job, and more likely to report that FSS helped them save money in an escrow account. (See Appendix Table B.5.)

The results suggest that most participants met with their case managers infrequently and that, while most participants were satisfied with their program experiences, few reported that the program helped them achieve some key program goals like finding a job. A substantial proportion of FSS participants did report receiving help with building savings in their escrow

[14]Verma et al. (2012a).

accounts. The incentive payments offer increased participant-staff interaction among those who were not working at the time of random assignment, but overall participation levels between the nonworking and working subgroups did not differ. The next section explores reasons for the low level of engagement in FSS and examines participation trends in the FSS program over four years.

Participation in the FSS Program Over Time

Voucher holders enrolling in FSS have up to five years, with the possible extension of another two years, to meet their graduation requirements.[15] Given the long-term nature of the FSS Contract of Participation, it is important to understand how participants engage with the program over time to achieve their self-sufficiency. Do they stay connected to the program? What types of services do they seek from the CBOs? Are there some subgroups of participants who are more likely to stay connected to the program?

The earlier findings revealed that the CBOs had a hard time engaging participants — especially those who were working — in the first two years of the program.[16] They faced the challenges of working with a more disadvantaged and less motivated population than typically enrolls in FSS programs, case management expertise that offered more to nonworking than to working adults, and limited discussion of the escrow account between staff and participants unless participants asked about it. Box 2.1 summarizes some of the challenges FSS staff faced in engaging participants, and that participants faced in seeking out needed services. According to HPD staff, despite the difficulties that the CBOs faced in engaging the FSS study sample, program staff continued efforts to reach inactive participants through ongoing marketing efforts and regular mailings. The information in the database that Seedco and HPD used to track milestone payment points indicated lower-than-intended participation rates through 18 months of follow-up.[17] In this report, the database is used to investigate FSS program participation through Year 4 of the program.[18]

[15]Contract extensions can be granted to some participants who need more than five years to achieve the goals in their Contract of Participation due to circumstances beyond their control, or to give them time to meet the goal of remaining off cash assistance for 12 months. For more details, see the FSS Fact Sheet and the Contract of Participation at http://portal.hud.gov.

[16]Verma et al. (2012a).

[17]Verma et al. (2012a).

[18]There was a period of time in Year 4 when the milestone database was not functioning and CBO staff needed to submit milestone achievements manually. Even though CBO staff were instructed to retroactively input these milestone claims once the database was available, limited staff availability and competing program priorities may have compromised the ability to capture all the work that was completed while the database was inaccessible. Nevertheless, the participation trend for the Work Rewards sample over time is consistent, even though participation rates may have been slightly underestimated.

Box 2.1

Keeping Participants Engaged in FSS: Some Highlights from the Early Findings

MDRC's 2012 report on Work Rewards presented an in-depth qualitative analysis of the low levels of engagement in FSS within the first 18 months of the program.[*] Participation in the FSS program, among both the FSS-only and FSS+incentives groups, remained low and declined over time. While the FSS+incentives group had higher engagement rates initially, the difference between the two program groups' engagement levels disappeared after Year 2. A summary of possible reasons for low engagement with the program is provided here.

- **"Need-based" interaction with FSS program staff.** CBO staff found that FSS participants were difficult to engage unless they needed something. One case manager remarked, "Even though you explain to them the services that are available, they don't think they need those services…especially if they already have jobs."

- **Lack of screening for interest or motivation to participate in FSS.** A crucial difference between the Work Rewards FSS program and other FSS programs across the country was that the Work Rewards program made an aggressive effort to recruit individuals to enroll in FSS and then keep them engaged. CBOs did not terminate any enrolled individuals from the program, regardless of interest or motivation level, which is not typical of nationwide practices.

- **Participation in mandatory programs.** The services that FSS provided did not qualify to fulfill the HRA requirements for TANF recipients to participate in the Work Experience Program (WEP),[†] ongoing case management, education or training, and job search in order to continue receiving benefits. Participants receiving TANF often chose to meet mandates instead of engage in FSS program services.

- **Conflicts for working participants.** Employed individuals who were enrolled in the FSS program often did not have the flexibility in their schedules to take advantage of the services that the CBOs provided. They also did not always find the services appealing. One staff member observed that those in the FSS-only group who were already working "don't see anything that we can do for them.… They're not interested in obtaining their credit report. They'd rather just pay to have their taxes prepared instead of waiting downstairs for the tax preparer.… What can we offer them? A job developer? They already have a job."

- **Transportation barriers.** Some participants did not have accessible routes on public transportation to an FSS service provider, which has impeded their engagement with the program.

(continued)

Box 2.1 (continued)

- **Language barriers.** Individuals with limited English proficiency struggled with understanding the program materials. One Spanish-speaking participant expressed frustration with the materials he received: "I told them I don't know English, to send me the papers in Spanish, but they always send me those papers in English.… Sending me the papers in English is like not sending me anything...." A Spanish-speaking staff person also acknowledged that for a non-English speaker, "there are a lot less opportunities. I can send somebody to WorkForce to go to training for medical billing, but it's in English."

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[*]Verma et al. (2012a).
[†]WEP is a program of the Family Independence Administration section of the Human Resources Administration, designed to give employable public assistance recipients simulated work experiences in sponsoring New York City agencies in exchange for receiving public benefits.

Looking first at the participation trajectory, Figure 2.1 shows the trend for the percentage of households with an adult who either achieved a milestone or received a service in each month after random assignment, over a period of four years. The figure shows, as the 2012 report did, that most of the participating households were active in the FSS program in the first two years of the program, and during this time, the households in the FSS+incentives group were more active than those in the FSS-only group. After Year 2, when the work-related incentive payments to households in the FSS+incentives group stopped, participation in FSS for both program groups declined substantially, and the difference in participation between the two program groups nearly disappeared. In Years 3 and 4, only a few households per month were receiving services or reaching milestones. In fact, only about a third of households in either program group achieved any milestone after Year 2 of the program, and less than 15 percent of households did so after Year 3. Although these participation levels may be underestimated as a result of the data issues mentioned earlier, the trend of substantial reduction of program engagement over four years — despite the CBO staff members' continued efforts to reach FSS participants — is telling.

In terms of overall participation rates (shown in Appendix Table B.6), compared with rates 18 months after the time of random assignment, cumulative participation rates are higher at the 48-month point (45 percent at 18 months, compared with 58 percent at 48 months for the

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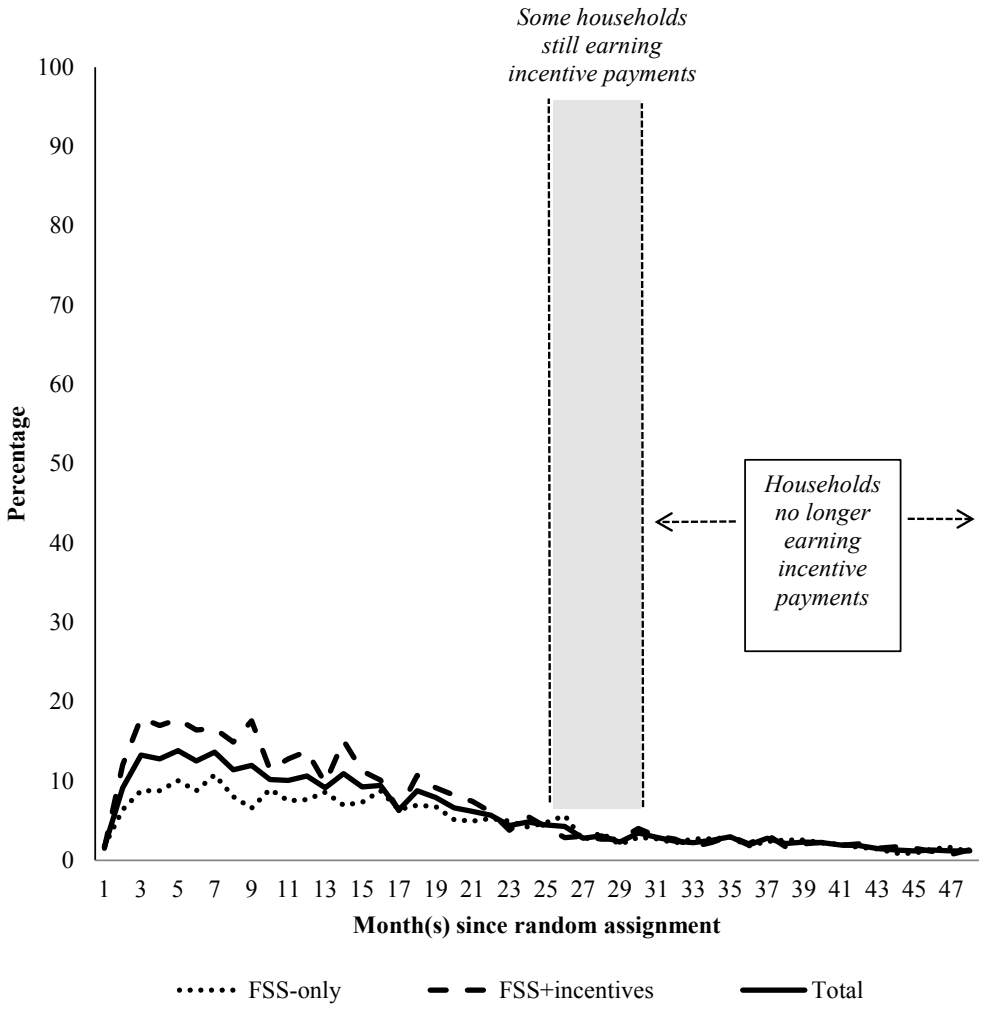
Figure 2.1

Percentage of Households That Received Services, Months 1 to 48, FSS Study Sample



SOURCE: MDRC calculations using Seedco's Work Rewards program data.

FSS-only group). This finding suggests that the FSS program did reach some more eligible individuals who had not engaged with the program for 18 months, but after four years, more than 40 percent of program group members had still not participated in the program at all.[19]

Measures on households from multiple data sources can be used to better understand the differences between households that continued to participate in the FSS program and those that participated initially and then stopped. Table 2.3 shows participation indicators defined by milestone achievement and escrow accrual by employment status at baseline and in Year 2, and food stamp receipt at baseline. The table shows that, among several participation indicators, working adults — either at the time of random assignment or in Year 2 — were more likely to have more long-term contact with the FSS staff in receiving services and benefits and were more likely to have accrued escrow. The higher rate of milestone achievement among the employed is driven in part by the post-employment-related milestones, but the data indicate that many more case management interactions were occurring in Year 4 than any other milestone activity (results not shown).

The engagement patterns shown in Table 2.3 are a bit surprising. Based on staff and participant interviews during the first 18 months of the FSS program, the 2012 report concluded that FSS had much more to offer individuals who were not working than those who were working, and that working individuals lost interest in the program quickly because they did not find the focus on job search and work-readiness appealing.[20] It is possible that, later in the program, working individuals took advantage of LaGuardia Community College's Career Advancement Program, which began offering assistance to employed FSS participants in April of 2010. Another possibility is that employed participants began paying closer attention to their escrow balances, reconnected with program staff, and in the process took advantage of the other services that may have been available to them. It is also likely that employment at a point in time — either at the time of random assignment or at Year 2 — was more of an indicator for whether an individual was more work-ready. These individuals might experience a lot of employment instability and seek out FSS services during periods of unemployment. As discussed earlier, however, participation rates for both employed and unemployed sample members in Years 3 and 4 were extremely low.

FSS Service Receipt

The 2012 report presented an analysis showing that at 18 months after random assignment, adults in the FSS+incentives group had been significantly more engaged with the FSS

[19]These numbers do not include participant interactions with housing specialists at HPD, which occur routinely in relation to Section 8, escrow, and home-ownership issues.

[20]Vema et al. (2012a).

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Table 2.3

Program Participation for Households in the FSS Program, by Selected Characteristics, Core Sample

Characteristic	FSS-Only			FSS+Incentives		
	Any Service or Milestone After Year 2 (%)	Had Escrow Credit in Year 4 (%)	Escrow Balance in Year 4 ($)	Any Service or Milestone After Year 2 (%)	Had Escrow Credit in Year 4 (%)	Escrow Balance in Year 4 ($)
Employment status of head of household						
Not working at baseline	15.2	39.7	1,762	19.1	43.2	2,215
Working at baseline	23.9	67.7	2,414	25.9	56.9	2,194
Not employed in Year 2	14.3	32.3	961	15.6	31.1	1,120
Employed in Year 2	24.0	71.3	2,972	28.4	65.2	3,092
Food stamp receipt at baseline						
Receiving food stamps	19.7	51.5	1,912	22.8	48.1	2,214
Not receiving food stamps	19.8	59.3	2,439	22.3	54.7	2,214

SOURCES: MDRC calculations using data from Work Rewards Baseline Information Form, Seedco's Work Rewards program data, and administrative records data from the New York City Department of Housing Preservation and Development (HPD) and the New York City Human Resources Administration (HRA).

NOTE: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

program than adults in the FSS-only group, although for both groups, the rates of receiving or achieving more than one service or milestone were low. About half of the FSS+incentives group had received a service or achieved a milestone by the 18-month point, compared with one-third of the FSS-only group.[21] Appendix Table B.6 shows the same analysis, updated at 48 months after random assignment. While the participation rates of both groups increased, the FSS+incentives rate remained higher than the rate for the FSS-only group. This section discusses program participation regarding milestones from self-reports of service receipt from the 42-month survey data. As mentioned above, the survey data give more comprehensive estimates of participation, since they reflect participant interactions with program staff regardless of whether they resulted in achieving a milestone.

Table 2.4 shows the extent to which program participants said that FSS staff had tried to help them access a particular service or reach a particular milestone. Although the survey questions do not indicate whether the FSS program staff proactively offered to help the respondent or whether the respondent sought help from staff, the 2012 report referred to a "need-based" approach to implementing the FSS program; in other words, for the most part, FSS participants sought help from the program when they needed it. CBO staff may have tried harder in the first two years of the program to reach individuals who were not as engaged, but after new households that were not part of the Work Rewards sample enrolled in the FSS program in Year 3, staff no longer needed to reach their target milestone numbers by proactively engaging just the Work Rewards FSS study sample.

The vast majority of sample members in both program groups — over 70 percent — had reported that the program staff tried to help them with reaching any of the 13 milestones. Although work was a primary focus of the FSS program, less than half of the respondents in either program group reported that the FSS program staff tried to help them with any direct work-related milestones (including finding a job, increasing wages or hours, or maintaining a job for specified time periods). In fact, higher percentages of respondents reported that FSS tried to help them with asset-building than with the work-related milestones.

This finding may be explained partly by the needs of the clients and partly by the way the FSS program and milestones were structured. CBOs could earn milestone payments by providing help with accessing public benefits, building assets, or building human capital, needs that members of this population generally share regardless of work status. The table shows that respondents were twice as likely to receive help with job search — a service useful mostly to

[21] Verma et al. (2012a).

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Table 2.4

FSS Program Services and Participation, Core Sample

Service/Benefit Received (%)	FSS-Only	FSS+ Incentives	Difference (Impact)	
Any service or benefit	73.6	79.4	5.8	*
Any income-related service or benefit	40.3	48.6	8.3	**
Public benefits (e.g., TANF, food stamps, Medicare, child care assistance)	29.4	38.0	8.7	**
Earned Income Tax Credit	22.9	27.4	4.5	
Any asset-building service or benefit	50.2	62.2	12.1	***
Financial literacy	42.6	49.6	7.1	*
Obtaining credit score	34.7	52.0	17.3	***
Any work-related service or benefit	40.3	48.9	8.6	**
Job search	34.8	37.3	2.5	
Work-hour increase	9.3	14.5	5.1	**
Wage increase	13.5	21.4	7.9	***
Job retention	16.3	18.7	2.3	
Family services (e.g., day care, tutoring, food bank)	21.0	25.3	4.3	
Education and training (e.g., GED classes, college courses, or vocational/technical training)	45.3	48.3	3.0	
Health care services	10.2	10.9	0.7	
Home-ownership counseling	16.5	21.7	5.2	*
Sample size (total = 771)	385	386		

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

This table excludes control group members because it pertains only to the FSS program.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

those who are not working — as with wage or hour increases, or job retention, which are more relevant for those who are already working.[22]

The table also shows that those in the FSS+incentives group were more likely to report that the program staff tried to help them achieve program milestones than were those in the FSS-only group. Of note are the impacts of the FSS program on helping with work hours and wage increases, rather than job search, for the FSS+incentives group. The extra cash incentives may have prompted individuals to seek help moving from part-time to full-time work.

FSS Participation by Employment Status

Earlier studies of programs to encourage work have typically found that the effects vary depending on individuals' circumstances when they enter the study.[23] It is likely that individuals' characteristics also inform the ways in which they experience the different opportunities that the FSS program offers, depending on their needs. Throughout this chapter, differences in participation levels and program impacts are examined across subgroups of participants based on their employment status at the time of random assignment.

Recent studies of programs that serve employed individuals have found that providing work supports is more likely to move people into new jobs than to help them advance in their current jobs.[24] As mentioned earlier, the 2012 Work Rewards findings also concluded that the FSS program had more to offer to nonworking adults than to working adults.[25] Individuals who were not employed when they enrolled in FSS might have benefited more from many of the services that FSS offered to its participants, including job search and training classes. In addition, the escrow account serves as a larger financial benefit for unemployed individuals when they find jobs than for working individuals who either work longer hours or get a pay raise. Finally, adults who were already working when enrolling in the study could immediately begin earning incentive payments for full-time work, while unemployed adults may not earn any incentives until much later into the program, if they are able to find jobs. The earlier participation analysis also suggests that employed and unemployed individuals engage with the FSS program staff differently.

Table 2.5 shows participation in the FSS program services through 42 months of the program, by employment status at random assignment. The patterns of participation between

[22]Those who are already working may have focused instead on educational outcomes like General Educational Development (GED) classes or vocational training to improve employment options. A subgroup analysis presented later in this chapter investigates this possibility further.

[23]See, for example, Hendra et al. (2011) and Michalopoulos (2005).

[24]Hendra et al. (2010).

[25]Verma et al. (2012a).

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Table 2.5

Participation in FSS Services, by Employment Status at Random Assignment, Core Sample

Help with Service/Benefit Received (%)	FSS-Only	FSS+ Incentives	Difference (Impact)	Sig.
Not working at random assignment				
Any service or benefit	67.7	76.0	8.4 *	
Any income-related service or benefit	33.5	46.9	13.4 **	
Public benefits (e.g., TANF, food stamps, Medicare, child care assistance)	25.3	35.8	10.5 **	
Earned Income Tax Credit	16.3	24.5	8.2 *	
Any asset-building service or benefit	43.0	59.8	16.9 ***	
Financial literacy	36.6	48.2	11.6 **	
Obtaining credit score	29.5	51.6	22.1 ***	
Any work-related service or benefit	35.4	47.7	12.3 **	
Job search	32.4	44.4	12.0 **	††
Work-hour increase	9.1	10.4	1.4	†
Wage increase	11.3	17.5	6.2	
Job retention	10.4	13.0	2.6	
Family services (e.g., day care, tutoring, food bank)	16.8	24.7	7.9 *	
Education and training (e.g., GED classes, college courses, or vocational/technical training)	39.8	47.9	8.2	
Health care services	7.9	8.0	0.1	
Home-ownership counseling	12.6	19.8	7.2 *	
Sample size (total = 384)	179	205		
Working at random assignment				
Any service or benefit	77.9	83.4	5.4	
Any income-related service or benefit	45.0	50.8	5.8	
Public benefits (e.g., TANF, food stamps, Medicare, child care assistance)	31.9	40.9	8.9 *	
Earned Income Tax Credit	28.2	30.7	2.5	
Any asset-building service or benefit	56.3	64.5	8.2	
Financial literacy	47.3	50.7	3.4	
Obtaining credit score	39.5	51.7	12.1 **	
Any work-related service or benefit	40.7	45.4	4.7	
Job search	35.6	30.2	-5.4	††
Work-hour increase	9.0	18.8	9.8 ***	†
Wage increase	15.0	25.5	10.5 **	
Job retention	21.4	23.8	2.4	

(continued)

Table 2.5 (continued)

Service/Benefit (%)	FSS-Only	FSS+ Incentives	Difference (Impact)	Sig.
Working at random assignment (continued)				
Family services (e.g., day care, tutoring, food bank)	24.8	25.2	0.4	
Education and training (e.g., GED classes, college courses, or vocational/technical training)	50.7	47.7	-3.0	
Health care services	12.6	14.0	1.4	
Home-ownership counseling	20.1	23.5	3.4	
Sample size (total = 382)	203	179		

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

This table excludes control group members because it pertains only to the FSS program.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

subgroups are quite different across the two program groups. Participants in the FSS-only group who were not working at random assignment were less likely to receive assistance with the program milestones than those who were working at random assignment. While about 78 percent of the FSS-only program group respondents who were working at the time of random assignment reported that FSS staff had tried to help with any of the milestone-related services, those who were not working were 10 percentage points less likely to report this.

For the FSS+incentives group, the nonworking subgroup also had, on average, a lower overall participation rate than the working subgroup, mostly because the working subgroup reported receiving more help with the income-related and asset-building services. The rates at which the nonworking participants reported getting FSS help with work-related services and with education and training were both 48 percent; the rates for the working subgroup were 45 percent for work-related services and 48 percent for education and training. Since employed and unemployed individuals have different needs for work-related services, one might expect that the rates of participation among the spectrum of work-related services available through FSS

might have looked different between these subgroups. However, participation rates look very similar — more individuals in each employment status subgroup got help with looking for a job than with any other work-related service. This is consistent with findings from a recent employment retention and advancement study, in which program staff delivered more reemployment services than post-employment services, since individuals who were enrolled in the study while they were employed generally experienced a lot of employment instability.[26]

There was evidence that those who were not working at random assignment were more likely to receive help with job search if they were offered the special work incentives to find and sustain employment. Among the working subgroup, also, a greater proportion of the FSS+incentives group received job-related services: About 19 percent of the employed FSS+incentives group reported getting help from the FSS program with increasing their work hours, which was more than double the proportion of the employed FSS-only group that got help with working more hours.

It is somewhat surprising that those in the FSS+incentives group who were employed at the time of random assignment did not receive more help with course enrollment than those in the FSS-only group, since educational attainment, whether by earning a diploma, a license, or a certificate, may represent the best path to earnings and employment gains for those who are already working but have low-paying and low-quality jobs. As argued above, case management and incentives may be more effective for those who are not employed upon program entry; it is easier to gain work than to improve the quality or frequency of work. It is possible that the time-limited opportunity to earn incentive payments prompted participants to focus more on immediate employment than on a longer-term pathway to better employment.

Escrow

A key feature of the FSS program is an interest-bearing escrow account for participants. The escrow account is designed to counter the disincentive to work that is inherent in the housing voucher program. Normally, if a household's earned income rises, the tenant's share of rent increases by 30 percent of the wage gains. In the FSS program, the tenant pays the increased rent to the landlord, and the housing authority credits the family's escrow account based on the increases in earned income during the term of the FSS contract. Escrow accruals are paid to participants when they complete the program, which could take up to five years. After five years (the time of program graduation for most participants), the money in the account — with accrued interest — is disbursed to the voucher holder if the graduation requirements of the FSS

[26]Hendra et al. (2010).

program have been met, with no restrictions on the use of the money.[27] Under special circumstances, FSS participants can access the funds earlier than graduation for approved purposes related to their self-sufficiency goals, such as paying off debt. The data presented in this section do not account for these interim disbursements, which were rare.

Escrow Accrual and Accessing Funds

Table 2.6 presents escrow accrual for sample members in the FSS-only and FSS+incentives groups. The proportion of sample members in both program groups who had an escrow balance grew substantially, from less than 30 percent at 18 months (not shown in table) to about 50 percent in Year 4. In other words, from enrollment to the end of Year 4, earned income had increased for at least one adult in 50 percent of the households that were enrolled in the FSS program (either by finding a new job or earning more in the current job). The average balance among the members of both program groups also increased, from less than $300 at 18 months (not shown) to more than $2,000 by the end of Year 4. Among those who had escrow balances, the average balance was around $4,000 for the FSS-only group and $4,400 for the FSS+incentives group, and almost a third of those with balances had more than $5,000 credited to their accounts.

In order to access the money credited to participants' escrow accounts, the heads of households need to have accomplished their goals in their Contracts of Participation and be employed when their contracts end, and none of the family members can be receiving TANF or Safety Net Assistance (SNA) for a year. If any of these conditions is not met at the end of five years, individuals forfeit their escrow balances unless they are approved for a contract extension or had already received a part of their balance as interim disbursements for approved expenses. Interim disbursements and graduation rates will be considered in the final report for this study. These forthcoming outcomes are crucially tied to how much of the escrow part of the FSS program participants understood and how challenging they thought meeting the graduation requirements would be.

Understanding of the Escrow Requirement

To assess participants' knowledge of the escrow feature, the Work Rewards survey included a set of questions asking respondents about their understanding of the escrow offer, under what circumstances they could access it, and their plans for using the money upon gradua-

[27] Appendix Figure B.1 illustrates how money is deposited into the escrow account each month by providing a hypothetical example of an individual whose monthly income increases from $600 to $800.

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Table 2.6

FSS Escrow Account Balance, FSS Study, Core Sample

Outcome	FSS-Only	FSS+ Incentives	Difference (Impact)	P-Value
Had FSS escrow balance in Year 4 (%)	54.1	49.8	-4.3	0.118
FSS escrow balance in Year 4[a] ($)	2,083	2,193	110	0.582
Among those with an FSS escrow balance in Year 4				
FSS escrow balance in Year 4 ($)	*3,904*	*4,407*	—	
FSS escrow balance in Year 4 (%)				
$1 - $500	*16.2*	*13.1*	—	
$501 - $1000	*9.2*	*11.7*	—	
$1,001 - $2,000	*17.0*	*15.4*	—	
$2,001 - $5,000	*29.3*	*28.9*	—	
Greater than $5,000	*28.2*	*30.9*	—	
Number of months until first FSS credit	*19.7*	*19.0*	—	
Sample size (total = 968)	492	476		

SOURCE: MDRC calculations using administrative records data from the New York City Department of Housing Preservation and Development (HPD).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. The p-value indicates the likelihood that the difference arose by chance.

Rounding may cause discrepancies in calculating sums and differences.

Italic type indicates comparisons that are nonexperimental. Statistical tests were not performed; therefore, there are no impacts or p-values to report.

[a]Dollar averages include zero values for sample members who did not have an FSS escrow balance.

tion. These findings are shown in Table 2.7. Almost 90 percent of program participants reported they had heard of the FSS escrow account, but less than 60 percent in either program group indicated that they had an account. About 16 percent did not know their current escrow balances, which is about one-fourth of those who reported having an escrow account. HPD provides participants with escrow statements, required per HUD guidelines, only once a year, so it is not totally surprising that participants are not able to recall their escrow balances.

At the time of the survey, which was conducted about 42 months after the time of random assignment, few participants in either program group understood the requirements to access the money in their escrow accounts. Only about a third of the FSS-only group and less than

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Table 2.7

Participants' Knowledge of and Plans for FSS Escrow Account

Outcome (%)	FSS-Only	FSS+ Incentives	Difference (Impact)	P-Value
Heard of escrow account	88.4	88.2	-0.2	0.939
Has an FSS escrow account	55.4	58.8	3.4	0.359
Does not know escrow balance	16.9	16.4	-0.5	0.850
Perceived requirements to get money from escrow account				
Accomplish goals in Contract of Participation or graduate from the program	32.3	39.4	7.1 **	0.049
Be employed or actively looking for employment	31.9	33.5	1.7	0.633
Not be receiving welfare (or TANF/SNA)	17.8	18.9	1.1	0.691
Stop using Section 8	8.2	7.6	-0.6	0.780
Write proposal explaining how money will be used to achieve career or education goals	22.5	23.7	1.2	0.705
Other	4.9	7.6	2.7	0.138
Identified correct combination of requirements to get money from escrow account	6.8	10.6	3.8 *	0.070
Plans for money in escrow account				
Help pay for education or training	21.0	21.9	0.9	0.776
Buy a house	25.3	24.9	-0.4	0.901
Pay for basic family necessities	26.7	28.6	1.9	0.566
Treat yourself or family to something that is usually unaffordable	14.6	15.0	0.5	0.861
Save for children's future education	24.7	27.6	3.0	0.359
Save as an emergency fund	30.3	33.5	3.2	0.353
Start a small business	15.3	19.1	3.8	0.179
Other	8.0	13.4	5.5 **	0.018
Sample size (total = 771)	385	386		

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: This table excludes control group members because it pertains only to the FSS program.
Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

40 percent of the FSS+incentives group knew that accomplishing the goals in the Contract of Participation was required. About a third of both program groups knew that they needed to be either employed or actively looking for employment.[28] Less than 20 percent in either group knew that their households needed to be off of TANF/SNA for a year. Only 7 percent of the FSS-only group and 11 percent of the FSS+incentives group correctly identified all the requirements for accessing their escrow money. This lack of understanding in Year 3 about how to access escrow savings is a potential concern, although HPD's institution of a Year 4 check-in with participants who have escrow credits may help remind participants about the graduation requirements and what they need to do to access the balance in their accounts.

FSS participants reported a variety of plans for their escrow savings. Most commonly, participants planned to preserve their balances as savings for emergencies. About a third of the respondents mentioned an emergency fund, while education or training, home buying, basic necessities, and children's education were each listed by about one-fourth of respondents.

Escrow Accrual by Employment Status and Over Time

Post-random assignment employment and earnings affect escrow accrual, as explained earlier in this chapter. Table 2.8 presents information on whether households that were enrolled in the FSS program had escrow balances as of 48 months after the time of random assignment, and the escrow credit that has accrued over four years, by employment status at the time of random assignment. Among those who were not working at random assignment, the proportion of those who had escrow balances grew from about 20 percent at the 18-month point, according to the 2012 report,[29] to about 40 percent by the end of Year 4. Substantially higher proportions of those who were working at random assignment had escrow balances at the end of Year 4 — 69 percent of the FSS-only group and 57 percent of the FSS+incentives group. Since households begin to accrue escrow when earned income increases, this finding suggests that those who were holding jobs were able to increase their earnings (for example, by working more hours) in less time than it took for those who were not working to find new jobs.

The differences in escrow balances in Year 4 between the nonworking and working subgroups were less stark — household heads who were not employed at baseline had accrued a little less than $2,000, on average, and households headed by those who were working at baseline had accrued a little more. When considering only those with escrow balances in Year 4, adults who were not working at baseline had higher balances than those who were working

[28]The actual requirement is to be employed at the end of the Contract of Participation, but the survey question says, "be employed or actively looking for employment."

[29]Verma et al. (2012a).

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Table 2.8

FSS Escrow Account Balance, by Employment Status at Random Assignment, Core Sample

Outcome	FSS-Only	FSS+ Incentives	Difference (Impact)	P-Value	Sig.
Not working at random assignment					
Had FSS escrow balance in Year 4 (%)	39.5	42.3	2.8	0.466	†††
FSS escrow balance in Year 4[a] ($)	1,760	2,153	394	0.179	†
Among those with an FSS escrow balance in Year 4					
FSS escrow balance in Year 4 ($)	*4,378*	*5,222*	—		
FSS escrow balance in Year 4 (%)					
$1 - $500	*10.6*	*12.1*	—		
$501 - $1,000	*11.4*	*9.7*	—		
$1,001 - $2,000	*16.1*	*13.5*	—		
$2,001 - $5,000	*27.1*	*25.8*	—		
Greater than $5,000	*34.8*	*38.9*	—		
Number of months until first FSS credit	*22.5*	*19.7*	—		
Sample size (total = 478)	237	241			
Working at random assignment					
Had FSS escrow balance in Year 4 (%)	68.8	56.5	-12.3 ***	0.002	†††
FSS escrow balance in Year 4[a] ($)	2,462	2,161	-301.1	0.276	†
Among those with an FSS escrow balance in Year 4					
FSS escrow balance in Year 4 ($)	*3,601*	*3,787*	—		
FSS escrow balance in Year 4 (%)					
$1 - $500	*19.7*	*13.7*	—		
$501 - $1,000	*8.5*	*13.3*	—		
$1,001 - $2,000	*17.3*	*17.8*	—		
$2,001 - $5,000	*29.5*	*31.4*	—		
Greater than $5,000	*25.1*	*23.9*	—		
Number of months until first FSS credit	*18.0*	*18.8*	—		
Sample size (total = 483)	251	232			

SOURCE: MDRC calculations using administrative records data from the New York City Department of Housing Preservation and Development (HPD).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Thirty-five control group members had escrow balances after they were enrolled in the study and are not included in this analysis.

(continued)

Table 2.8 (continued)

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Italic type indicates comparisons that are nonexperimental. Statistical tests were not performed; therefore, there are no impacts or p-values to report.

[a]Dollar averages include zero values for sample members who did not have an FSS escrow balance.

at baseline. This pattern is not inconsistent with the working subgroup's higher likelihood of having an escrow balance. Although it may be easier for those who are already working to improve their job situation, an unemployed adult who finds a new job would in most cases receive a bigger escrow credit than an employed adult who finds a better job or who works more hours at a current job.

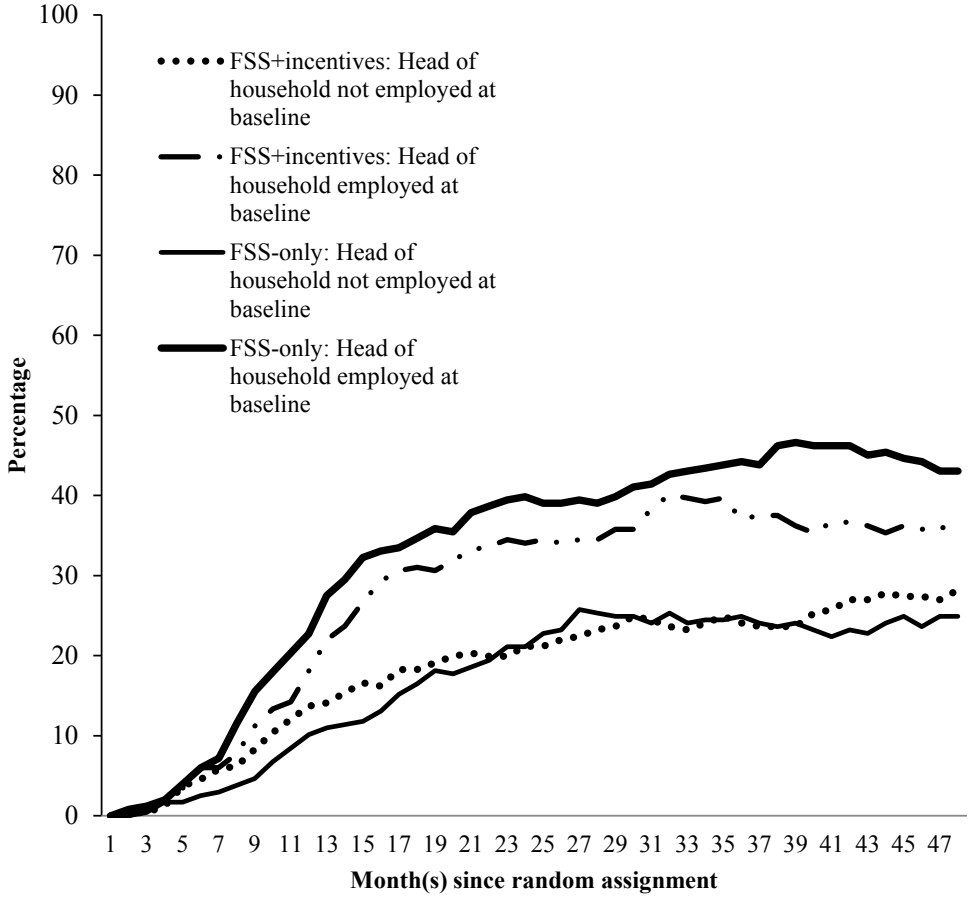
The FSS-only and FSS+incentives program groups had different escrow accrual patterns over time (as shown in Figure 2.2), suggesting that the incentive payments for full-time work may have affected the way the escrow was viewed as motivation to work. Notably, among those who were working at random assignment, households in the FSS+incentives group were less likely than those in the FSS-only group to have an escrow balance in Year 4. The figure shows that patterns of escrow accrual for the FSS+incentives program group are similar between the working and nonworking subgroups until month 8, when more of the working subgroup began to accrue escrow. In the FSS-only group, the subgroups diverged sooner, around month 4.

It is possible that many adults in the FSS+incentives group who were already working did not need to make a big effort to earn the extra cash incentives, which they received on a regular basis throughout the first two years of the program. If they could stay in their current jobs for an immediate cash return, the escrow may not have served as a big enough incentive, especially early in the program, to find a better job or to increase their work hours, particularly since advancing in a career is difficult. The incentive payments may have encouraged working participants to sustain their employment while not increasing their work hours or their wages.

In summary, about half of all FSS households had accrued escrow balances over four years, and many households had substantial credits — over $5,000 — that would be paid to them upon graduation from the program. Those who were not working at the time of random

Figure 2.2

Percentage of Households Receiving Escrow Credit, by Month Since Random Assignment, FSS Study, Core Sample



SOURCE: MDRC calculations using administrative records data from the New York City Department of Housing Preservation and Development (HPD).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

assignment had, among those with any escrow credits, higher balances than those who were working at the time of random assignment after four years, suggesting that the payoff for moving from not working to working was greater than the payoff for advancing in work — that is, increasing work hours or finding a better job. However, at the time of the survey, the majority of households were not clear about the requirements for graduating from the FSS program and accessing their escrow credits. The final report will investigate program graduation and the extent to which escrow credits were paid out among the FSS core sample.

Incentive Payments

HPD voucher holders who were randomly assigned to the FSS+incentives program group had the opportunity to earn incentive (or reward) payments for working full time or for completing education or training courses during the first two years of the FSS program, in addition to receiving FSS services for five years. Case managers working with individuals in the FSS+incentives group were expected to integrate the incentives offer into their work with those individuals; the expectation was that the special work incentives would motivate people to take advantage of FSS services so that they could meet the education or work conditions necessary to earn the incentive payments. The earlier participant engagement findings showed this expectation to be warranted: The FSS+incentives group was more likely than the FSS-only group to receive help getting services or benefits for a variety of services related to employment or the development of human capital generally.

This section updates findings on the receipt and amount of reward payments among FSS core sample members. Early results showed that about a third of individuals in the FSS+incentives group had earned at least one incentive payment, mostly for full-time work, at 18 months after the time of random assignment. Among those who earned any incentives, adults had earned an average of $1,671.[30]

Table 2.9 updates these early findings. When the incentive payments to individuals ended after two years, 39 percent of the FSS+incentives group had earned at least one reward payment; 36 percent of eligible adults had earned payments for full-time work and 7 percent had earned payments for education and training. Although the minimum work requirement attached to receiving the education and training reward was lifted for participants in the second year of the program, it is unlikely that this change increased the receipt rate for this payment, since it was still extremely low. Individuals earned an average of $2,063 in incentive payments over the two-year period. Overall, most participants who earned cash rewards in Year 2 had also

[30]Verma et al. (2012a).

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Table 2.9

Two-Year Participation in FSS+Incentives Program, Core Sample

Outcome	FSS+ Incentives
Ever earned a reward (%)	39.2
Average total amount earned[a] ($)	2,063
Ever earned a reward for full-time work (%)	35.8
Average total amount earned for full-time work rewards[b] ($)	1,993
Ever earned a reward for education and training (%)	6.5
Average total amount earned for education and training[c] ($)	1,482
Sample size	523

SOURCE: MDRC calculations using Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.
Sample size refers to the number of adults in the program group.
[a]Calculations are based on individuals who earned at least one reward in any category.
[b]Calculations are based on individuals who earned at least one full-time work reward.
[c]Calculations are based on individuals who earned at least one education and training reward.

earned them in Year 1; the percentage of eligible adults who earned rewards in the second year but had not earned anything within 18 months of random assignment was small.

The low receipt of the training rewards is noteworthy, since other incentive programs have seen much higher receipt rates for cash incentives offered for participating in education and training. Two recent employment studies — one evaluating a program in the United Kingdom and another in the United States — found that over 25 percent of participants who were offered financial incentives for education and training in those programs received them.[31] Family Rewards, one of the three Opportunity NYC projects,[32] also saw low reward receipt rates for completing education and training, but participants in that program had more options in choos-

[31]Hendra et al. (2011); Miller, van Dok, Tessler, and Pennington (2012).
[32]Work Rewards and Spark are the other two Opportunity NYC programs; see Chapter 1.

ing to undertake other activities that might have earned them extra cash more easily. They also did not have the work-related services that were available through the FSS program.[33]

Participants in the FSS+incentives group who were interviewed about their program experiences offered some glimpses into the hurdles they faced in earning the training rewards. One nonworking participant expressed an interest in more education and training but could not afford the transportation or child care she needed to attend these programs. Another participant was employed and could not attend the education and training programs that interested him because they were only offered during the day when he was working. A third participant, who was attending training, was not aware that the minimum work requirement to earn these rewards had been eliminated, and also had not looked into whether the training she was attending could qualify for a payment.

The FSS program might also be engaging different individuals in finding employment or enrolling in training programs in different ways. Table 2.10 presents reward receipt rates and earnings amounts for subgroups defined by employment status at random assignment. Since the cash incentives rewarded full-time and not part-time work, data on incentive payments based on employment status were examined across full-time employment, part-time employment, and unemployment at the time of random assignment.

Since most of the rewards earned were for full-time work and not for education and training, it is not surprising that those who were employed full time at the time of random assignment were most likely to earn rewards from the program; 67 percent of adults who were working full time at random assignment had earned at least one reward. Those who were employed part time at random assignment were less likely to do so (41 percent), and those who were not working were least likely to do so (24 percent).

The data also indicate that about a fifth of individuals who were not working at the time of random assignment worked full time for at least two months during the two-year period in which incentives were offered. Among those who earned any incentive payments, those who were not working at the time of random assignment earned an average of $1,542 — equivalent to about 10 months of incentive payments for full-time work. The table also indicates that 35 percent of those who were working part time at random assignment worked full time for at least two months during the study period. This finding previews the differential employment impacts across subgroups defined by work status at random assignment, described in more detail in Chapter 3.

[33]Riccio et al. (2013).

Table 2.10

Rewards Receipt in FSS+Incentives Program, by Employment Status at Random Assignment, Core Sample

Outcome	Employment Status at Random Assignment		
	Working Full Time	Working Part Time	Not Working
Ever earned a reward (%)	67.1	41.0	23.6
Ever earned a reward for full-time work (%)	67.1	35.0	19.6
Ever earned a reward for education and training (%)	4.8	8.0	6.6
Average total amount earned[a] ($)	2,474	1,849	1,542
Sample size (total = 517)	146	100	271

SOURCE: MDRC calculations from Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

[a]Calculation is based on individuals who earned at least one reward in any category.

Incentive payments for work given to those who were already working full time at random assignment may represent a windfall for the subset of participants who were in stable full-time employment. Those participants would receive the incentive payment without having to change their behavior. Any conditional payment would produce some windfall cases unless the payment could be narrowly distributed to only those who would benefit most from it — for example, by limiting eligibility for this payment to unemployed adults, which was not the target population for the study.

On the other hand, the incentives might produce a change in behavior that is unobserved with participation data only — they may offset a reduction of work, or work hours, that individuals may otherwise have experienced in the absence of the incentives as a response to worries about potential reductions in food stamp payments or increases in rent. Incentives may also encourage a shift from part-time to full-time work or increase engagement with program staff (as detailed above), which could expose participants to other program benefits (for example, financial literacy and counseling, as discussed later). In the case of this population, those who received the windfall struggle with poverty and material deprivation; the incentive payments provide important help even if they do not change behavior.

Use of Incentive Payments

Adults could spend the incentive payments they earned in any way they wished. The program's designers believed that its appeal and incentive value would be greater without any restrictions on how the money could be spent. They hoped that households would use the extra money in ways that align with program goals, such as reducing immediate material hardship or investing in their human capital development through services that enhance workforce skills. The Work Rewards survey included questions to shed light on this issue.

Table 2.11 shows survey responses to questions about households' use of the incentive payments they earned from the program for either full-time work or for completing education and training courses. The most common use of the extra money, cited by 39 percent of respondents in the FSS+incentives group, was for regular household expenses, such as rent, food, and utilities. About one-fourth of respondents reported using the incentive payments to pay off bills (such as credit card or medical bills). About 12 percent of respondents saved some of the incentive payments for the future, and 12 percent spent the money on extra consumer goods, such as eating out.

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Table 2.11

Participants' Use of Incentive Payments, FSS+Incentives Program Group, Core Sample

Outcome (%)	FSS+ Incentives
Use incentive payments to	
Help pay for regular expenses, such as rent, utilities, or food	38.8
Pay off bills, such as credit cards or medical bills	24.5
Make a major purchase, such as a house, major appliance, or car	5.0
Save for some future need, such as college tuition or retirement	12.1
Pay for health or dental care or health insurance	7.7
Pay for things to help children in school, such as special lessons or private schools	3.2
Pay for a few extras, such as eating out, going to a movie, buying electronics or clothes	12.1
Help other family members or friends with expenses	6.6
Other	5.3
Sample size	364

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

This table excludes control group members because it pertains only to the FSS+incentives program. Only core sample members in the FSS+incentives group who said they participated in FSS were asked these questions.

Sample sizes may vary across measures because of missing values.

The survey responses suggest that households primarily found the incentive payments useful for keeping up with current expenses (and possibly reducing material hardship in the short term) and that a much smaller proportion reported investing the cash for future use. It may be that, in order for the incentive payments to be truly effective in improving human capital and ultimately improving the household's long-term well-being, the work-related incentives may need to be larger, or families may need more intensive support to earn more payments, to move beyond covering their everyday budgetary needs.

Conclusion

Overall, the FSS program delivered self-sufficiency services and benefits to the majority of the households enrolled in either the FSS-only program group or the FSS+incentives program group, but participant engagement over four years of the FSS program was low. Infrequent meetings with case managers and low levels of engagement in both the nonworking and working subgroups suggest that gains in employment and earnings, if any, would derive mainly from the incentive payments and thus would be concentrated in the FSS+incentives program. In fact, the survey findings confirm the finding in the 2012 report that the incentive payments increased engagement with the FSS program, especially among those who were not working at the time of random assignment.[34]

Since incentive payments have their greatest behavioral effect on those who are not already working (though they could encourage those who are working to remain in the labor force when they might otherwise drop out), this finding also suggests that program benefits would be concentrated among those who were not working at the time of random assignment. The next chapter explores whether the FSS program increased participants' educational attainment, improved their employment outcomes, or reduced their dependence on public benefits or housing assistance.

[34]Verma et al. (2012a).

Chapter 3

Impacts of FSS-Only and FSS+Incentives on Education, Employment, Earnings, and Benefits Receipt

Chapter 2 investigated participation and engagement by members of the two program groups in the Work Rewards Family Self-Sufficiency (FSS) study: the FSS program alone (FSS-only) and the FSS program plus eligibility for special cash work incentives (FSS+incentives). This chapter first examines whether that engagement translated into gains in education that could lead to increases in earnings and financial well-being over time. Then it examines the effects of the program offer on employment, earnings, and receipt of public benefits through four years of follow-up.

The FSS program is meant to encourage public housing residents and participants in the Housing Choice Voucher (HCV) Program, which provides rent subsidies to eligible low-income households,[1] to find a steady job or, if already working, to increase their earnings, through its services and incentives. First, staff provide a range of supportive services designed to help participants move into work or pursue training, including Adult Basic Education (ABE), English as a Second Language (ESL), and General Educational Development (GED) courses. Second, participants who go to work or increase their earnings pay more rent to the landlord, but the housing authority credits the family's escrow account based on the increases in earned income during the term of the FSS contract. The escrow account serves as both a wealth-building instrument and a work incentive. Still, the escrow account represents a distant and therefore potentially weak work incentive, in that participants do not have access to their escrow funds until they graduate from the program. The designers of the Work Rewards study hypothesized that adding a work incentive to the FSS program that offers immediate cash gains (called "reward payments" or "incentive payments" in this report) could lead to larger increases in employment and earnings. Considering that few Work Rewards sample members reported meeting with their FSS case managers frequently and that few reported finding a job as a result of case management, it might be expected that employment and earnings impacts, if any, would be stronger in the FSS+incentives program group than in the FSS-only program group. Impacts for both programs may also have been stronger for those who, at the time of random assignment, were not employed or were the recipients of Supplemental Nutrition Assistance Program (SNAP) benefits (food stamps) — the former because the move into any work may be less difficult than the move to more and better work, and the latter because the combination of food stamps and housing voucher receipt may represent a "double disincentive" to work that the incentive payments and case management services could help overcome.

[1]The HCV Program is also known as "Section 8," after Section 8 of the Housing Act of 1937.

In brief, the findings indicate that:

- Both the FSS-only and FSS+incentives programs appear to have led to an increase in enrollment in ABE, GED, and high school classes over the control group experience. This increase did not, however, lead to an increase in licensing, certification, or degree conferral during the follow-up period.

- Administrative records show no gains in employment or earnings for the FSS-only program group over the study period. The FSS+incentives program group displays a statistically significant impact on employment but not on earnings during the study period. Those in the FSS+incentives program who were not working at random assignment had large and statistically significant gains in employment and in earnings. The difference in impacts between the nonworking subgroup and those who were working at random assignment is also statistically significant.

- Survey respondents report statistically significant gains in employment for the FSS+incentives group as a whole, reflecting a combination of some movement from not working to employment not covered by administrative records (for example, self-employment) and differences in survey response rates between the program and control groups. Survey results also show that the FSS+incentives intervention produced large, positive employment impacts for sample members who were not working at the time of random assignment.

- Despite gains in employment for the FSS+incentives group overall and robust findings regarding gains in employment and earnings for those in this group who were not working at random assignment, there is no concomitant drop in receipt or value of housing vouchers during the four years of follow-up.

- Public benefit impacts were mixed. TANF benefits may have begun to drop in the FSS+incentives program during the last quarter of follow-up, potentially reflecting a move to meet graduation requirements, which stipulate that participants (and members of the household) must not be receiving Temporary Assistance for Needy Families (TANF) or Safety Net Assistance (SNA) for 12 months before graduation. And, food stamp receipt and benefit amount appear to have dropped in the FSS+incentives program in Year 4. There is no evidence, however, that these impacts were pronounced in the nonworking subgroup, which experienced the noted gains in employment and earnings.

Data Sources and Follow-Up Period

Program impacts in the Work Rewards study are estimated using administrative records and survey responses. Education and training outcomes are constructed from survey responses. Earnings records come from the New York State unemployment insurance (UI) system. The UI data, available for every adult in the study, provide quarterly earnings for the majority of workers in the state and are available for the evaluation sample for several quarters before study entry and 10 quarters after study entry. Although the UI records cover earnings from most jobs in a given state, they do not cover earnings from self-employment, jobs with the federal government or the military, informal jobs, and out-of-state jobs. Other research suggests that the UI data may miss relatively more employment for low-income populations than for higher-income groups, given the former group's greater prevalence of work in informal jobs.[2] The UI records also do not provide information about hours worked during a quarter or week or on the characteristics of jobs held, such as hourly wage rates, benefits, and schedule. For this reason, MDRC supplemented UI records data with data from a 42-month survey, which included information on job characteristics and earnings from non-UI-covered jobs.[3]

Data on monthly receipt of TANF or SNA and food stamp benefits were obtained from the New York City Human Resources Administration (HRA).[4] Data on housing voucher receipt and value were obtained from the New York City Department of Housing Preservation and Development (HPD). These data are also available for each study participant for several months before and 48 months after the point of random assignment. Effects on benefit receipt are estimated at the household level.

In its earlier report on Work Rewards,[5] MDRC used self-reports from the participants' Baseline Information Forms (BIF) that were collected at random assignment to construct employment and food stamp subgroups. While self-reported employment status lines up well with UI records, a separate analysis revealed substantial underreporting of food stamp receipt among the Work Rewards sample, which is consistent with what researchers have found in several other studies.[6] Therefore, the analysis of subgroup differential impacts according to food stamp status at random assignment that is presented here and in the following chapters uses HRA records to determine subgroup membership.

[2]Abraham, Haltiwanger, Sandusky, and Spletzer (2009).

[3]On average, respondents had participated in the study for about 42 months when the survey was administered, but this number varies according to their random assignment date.

[4]The SNA program provides assistance to individuals and families in New York State who do not qualify for the time-limited federal TANF program.

[5]Verma et al. (2012a).

[6]See, for example, Czajka et al. (2012).

Impacts

Because individuals in the FSS study were assigned at random to either one of two program groups (FSS-only or FSS+incentives) or to a control group, program impacts can be calculated as the difference in outcomes between the research groups. (See Box 3.1 for an explanation of how to read the impact tables in this report.) The effects of the FSS program combined with incentive payments, for example, are calculated as differences in post-random assignment outcomes between the FSS+incentives group and the control group. Differences in outcomes between the FSS-only and control groups provide estimates of the effect of the offer of FSS by itself. Finally, differences between the two program groups, FSS+incentives and FSS-only, provide an estimate of the effect of adding the incentive payments to the FSS program. The effects of the program are presented in the main report only for the FSS "core sample," which excludes elderly and disabled individuals.[7] Effects for the "full sample," which includes such individuals, are presented in a technical supplement to this report.[8] Findings for the full sample are very similar to those for the core sample presented in this chapter.

The tables and figures that follow present outcome levels both for core study groups and for core subgroups (for example, those who were not employed at random assignment) within study groups. Differences across study groups that are statistically significant (indicated by asterisks in the tables) are considered program impacts, or, in other words, differences that are highly likely to have been caused by the program rather than by chance.[9] The key focus of subgroup analysis is not on the impacts for a given subgroup, but whether the *differences in impacts across subgroups* are statistically significant. (Subgroup differences that are statistically significant are noted with daggers in the tables.) The sample size for each subgroup is fairly small, meaning that differences between groups are less likely to be statistically significant.

Education

The FSS program offers participants help in identifying and enrolling in academic programs such as GED or ESL as well as vocational training. By earning a degree or receiving a

[7]The full sample also included a small number of Hasidic Jews, representing the study setting, New York City. Because it would be difficult to generalize from the experiences of this group to the larger, national population of housing voucher recipients, these individuals, too, are excluded from the core evaluation sample.

[8]The technical supplement is available at www.mdrc.org; see Nuñez, Verma, and Yang (2015).

[9]Adults other than the head-of-household/voucher holder who chose not to enroll in the study were eligible to receive services from FSS staff, although the extent to which these adults received services is not known. Impacts on employment and earnings are estimated for all adults who enrolled in the study, representing 81 percent of all adults in participating households. Any effects of these services on employment and earnings for other adults in the household are not captured in these data. Impacts on benefits receipt (housing voucher, SNAP, and TANF), however, are estimated for households and thus may indirectly capture effects of services on other adults in the household.

Box 3.1

How to Read the Impact Tables in This Report

In the context of the Work Rewards evaluation, an "impact" is a measure of how much the three interventions — Family Self-Sufficiency alone (FSS-only), FSS combined with special work incentives (FSS+incentives), and special work incentives alone (incentives-only), which together make up the three program groups in the study — changed outcomes for program participants. The group outcomes for the three interventions are compared with each other and with their respective control groups. The top row of the excerpted table below, for example, shows that the FSS-only group had a quarterly employment rate of 47 percent in Year 1, compared with 43 percent for the control group.

Because participants were assigned randomly to either a program group or a 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 excerpt shows the differences between the program and control groups' outcomes — that is, the program's estimated *impacts* on the outcomes. For example, the estimated program impact of the FSS-only program on the quarterly employment rate in Year 1 of the study can be calculated by subtracting 43 percent from 47 percent, yielding an increase, or estimated impact, of 4 percentage points (rounded up from 3.9, as shown in the table).

The p-value shows the probability that this difference, or impact, arose by chance. In the table excerpt below, the difference between the program and control groups in Year 1 has a 3.8 percent probability of arising as a result of chance rather than as a result of the FSS-only program. In contrast, the difference on the measure of quarterly employment in Year 2 has a 25.1 percent probability of having arisen by chance. For this evaluation, only differences that have a 10 percent probability or less of arising by chance are considered "statistically significant" and therefore represent true program effects. The number of asterisks indicates whether the impact is statistically significant at the 1 percent (***), 5 percent (**), or 10 percent (*) level, meaning that there is only a 1, 5, or 10 percent probability, respectively, that the impact arose by chance.

Impacts on Employment, FSS Study Sample

Outcome	FSS-Only (Program) Group	Control Group	Difference (Impact)	P-Value
Quarterly employment rate (%)				
Year 1	47.1	43.1	3.9**	0.038
Year 2	45.5	43.1	2.5	0.251

license or certificate, participants may expand their employment and earnings possibilities both during and after program participation. As an important pathway toward economic self-sufficiency, educational achievement is, therefore, an outcome of interest. This section uses the 42-month follow-up survey to analyze the impacts of the FSS-only and FSS+incentives programs on education outcomes relative to the control group.

Table 3.1 presents impacts on education outcomes, including participation in education and training activities and degree, diploma, certificate, and license receipt. Almost half of control group members participated in some form of education or training since random assignment, reflecting, perhaps, the services available in the New York City area. Both FSS programs increased participation in ABE, GED, or high school classes. Just 9 percent of control group members enrolled in such courses during the study period. This number was 13.1 percent for the FSS-only program group (a statistically significant difference of 4.1 percentage points) and 14.9 percent for the FSS+incentives program group (a statistically significant difference of 5.9 percentage points). Program group rates are not significantly different from each other, suggesting that both programs were equally effective in moving people into these types of courses. Those in the FSS+incentives group were also more likely to have enrolled in other education and training programs than were those in the control group (11.1 percent versus 7.6 percent, a statistically significant difference of 3.6 percentage points). Increased enrollment in education and training courses does not, however, appear to have led to increases in licensing, certification, or conferral of a degree or a diploma. There are no differences across study groups in overall measures of these outcomes. FSS+incentives may have had a modest impact on the number of program group members with licensing or certification for child care or security jobs, but these effects are isolated and should be interpreted with caution.

Table 3.2 presents summary measures of education outcomes by employment status at random assignment. The top half of the table presents impacts for those who were not working at random assignment; the bottom half presents impacts for those who were working at random assignment. The programs do not appear to have had any subgroup differential impact on education activities by employment status.

MDRC also conducted an analysis of education outcomes by food stamp receipt at random assignment (not shown in Table 3.2). No evidence of subgroup differential impacts on education outcomes by food stamp receipt status was observed.

Summary

Taken together, the results suggest that the two FSS programs in the Work Rewards study increased the number of people who enrolled in education and training courses but that this increase did not translate into increased degree conferral or receipt of a license or certificate.

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Table 3.1

Impacts on Education and Training, FSS Study, Core Sample

Outcome (%)	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value
Ever participated in an education or training activity[a]	55.7	58.6	49.1	6.6 *	0.064	9.5 ***	0.008	2.9	0.417
ABE, GED, or high school classes	13.1	14.9	9.0	4.1 *	0.070	5.9 ***	0.009	1.8	0.418
ESL classes	9.6	11.5	8.2	1.4	0.490	3.3	0.109	1.9	0.361
College courses for credit	14.9	15.9	15.2	-0.3	0.920	0.8	0.753	1.0	0.677
Vocational training	23.3	26.1	24.7	-1.4	0.658	1.4	0.647	2.8	0.367
Other educational, training, or employment program activities	10.4	11.1	7.6	2.8	0.197	3.6 *	0.100	0.8	0.723
Has any degree, license, or certificate	81.2	80.3	78.1	3.1	0.211	2.1	0.387	-1.0	0.699
Has any degree or diploma	65.2	62.5	63.0	2.3	0.336	-0.5	0.828	-2.8	0.237
Has any trade license or training certification	50.6	55.5	50.7	-0.1	0.981	4.8	0.180	4.9	0.171
Home health aide	14.9	15.5	14.3	0.7	0.792	1.2	0.632	0.5	0.829
Nurses aide/nurses assistant (CNA)	2.6	3.1	4.5	-1.9	0.153	-1.3	0.307	0.5	0.685
Medical assistant/technician	2.8	4.3	3.7	-0.9	0.520	0.6	0.661	1.5	0.279
Child care/teaching	3.2	4.9	2.6	0.7	0.616	2.4 *	0.078	1.7	0.206
Security	6.3	7.3	4.0	2.3	0.169	3.3 **	0.049	1.0	0.553
Other	20.8	20.3	21.8	-1.0	0.727	-1.5	0.614	-0.5	0.876
Highest degree or diploma									
GED certificate	29.6	25.2	24.9	4.7	0.119	0.4	0.902	-4.4	0.150
High school diploma	35.6	37.2	38.1	-2.5	0.426	-0.9	0.777	1.6	0.607
Associate's degree	12.6	14.0	12.5	0.2	0.936	1.6	0.504	1.4	0.555
Bachelor's degree or higher	9.2	9.3	8.9	0.2	0.909	0.4	0.853	0.1	0.944
Sample size (total = 1,152)	385	386	381						

(continued)

Table 3.1 (continued)

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

This table reports on degrees, licenses, and diplomas received, regardless of whether they were received before or after random assignment.

ABE is Adult Basic Education. GED is General Educational Development. ESL is English as a Second Language.

[a]Percentages may sum to more than the number participating in any activity because sample members could list more than one response.

Case managers could refer clients to GED, ESL and other courses; provide background information; and help clients enroll. However, completing a course can be difficult, especially when working and faced with material hardship. Successfully shepherding participants to course completion may have required more intense follow-up and support that the FSS program was not designed to provide. Regardless, as the FSS program did not produce gains in educational attainment, any uncovered gains in earnings and employment must have originated through other pathways (for example, the direct effect of the incentive payments).

Employment and Earnings

Though the FSS program is designed to provide service referrals to address a variety of responsibilities and potential difficulties faced by participants, including child care, mental and physical health issues, and transportation, this component is in service to the ultimate goal of the program: to move people to work, build economic self-sufficiency, and help families move off of public assistance. The incentive payments were designed with the same goal and are therefore attached to work-oriented behavior: obtaining employment, moving to full-time (30 hours per week or more) employment, and completing basic education and vocational training in pursuit of employment.[10] Therefore, the true test of the FSS model is an evaluation of its ability to increase employment, employment quality, and earnings.

[10]The payment for education originally required that participants maintain employment while in an education or training program, but the work requirement was dropped in the second year of the Work Rewards study.

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Table 3.2

Impacts on Education and Training, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)		FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)		FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.
Not working at random assignment											
Ever participated in an education or training activity (%)	58.4	60.1	48.5	9.8	*	0.055		11.6	**	0.020	
Has any degree, license, or certificate (%)	72.1	70.8	68.0	4.1		0.356		2.9		0.505	
Sample size (total = 572)	179	205	188								
Working at random assignment											
Ever participated in an education or training activity (%)	53.3	58.1	50.6	2.7		0.596		7.5		0.152	
Has any degree, license, or certificate (%)	72.7	75.5	72.1	0.6		0.897		3.3		0.464	
Sample size (total = 571)	203	179	189								

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

Table 3.3 presents the results of the analysis of UI employment and wage data through June 30, 2013, and 48 months after random assignment for each core sample member. (Figure 3.1 shows the impact of FSS-only and FSS+incentives on quarterly employment rates.) The top half of Table 3.3 presents quarterly employment rates averaged across the four quarters of each follow-up year for the three groups in the Work Rewards FSS study: FSS+incentives, FSS-only, and the control group. Employment rates for the control group represent the counterfactual — in other words, what would have happened in the absence of a program. During the follow-up period this number hovers around 43 percent for the control group. In the first year of follow-up, both program groups display statistically significant impacts on the employment rate. The FSS-only program group's employment rate is 3.9 percentage points higher than the control group's rate; the FSS+incentives program group's employment rate is 4.0 percentage points higher. These percentage point differences are not statistically significantly different from each other, suggesting that each program had a similar impact on the employment rate. The impacts on employment fade, however, in Years 2, 3, and 4. The data reveal no impacts on employment rates during these years for either program group; the initial gains were lost. The full-period measure, quarterly employment rate averaged across the 16 quarters of the follow-up period, does show a statistically significant impact on employment rates for the FSS+incentives group of 3.6 percentage points. This result should, however, be viewed with caution since this measure may simply be capturing the initial, Year 1 impact of the FSS+incentives program.

The bottom half of Table 3.3 shows program impacts on yearly earnings as measured by the UI system. The control group averaged $6,901 over the first study year. This figure rose slightly to $7,694 in the fourth study year. Neither program produced impacts on earnings that were statistically significantly larger than the control group average. This is true even in Year 1, a period during which the program groups experienced a small boost in overall employment rates. Overall these findings suggest that while each program produced a short-term gain in employment in UI-covered jobs, the programs failed to produce sustained gains in employment or earnings over four years.

Table 3.4 presents findings from the 42-month survey on participants' employment status and job characteristics. The FSS-only program had no impact on employment status at the time of the survey. On the other hand, the FSS+incentives program did improve employment measures: 55.1 percent of this group's members reported being employed at the time of the survey compared with 44.4 percent of control group members and 48.5 percent of FSS-only participants. The differences between FSS+incentives and the control group (10.7 percentage points) and between the two FSS program groups (with the FSS+incentives impact 6.6 percentage points higher than the FSS-only impact) are both statistically significant, suggesting that the FSS+incentives program improved employment outcomes over the control group and was more effective at doing so than the FSS-only program. Recall that the analysis of UI records presented in Table 3.1, though investigating slightly different measured outcomes, suggested a smaller

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Table 3.3

Four-Year Impacts on Employment and Earnings, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Quarterly employment rate (%)									
Year 1	47.1	47.2	43.1	3.9 **	0.038	4.0 **	0.034	0.1	0.961
Year 2	45.5	46.4	43.1	2.5	0.251	3.3	0.143	0.8	0.719
Year 3	44.5	46.0	42.4	2.2	0.353	3.6	0.144	1.5	0.560
Year 4	43.6	45.3	41.8	1.8	0.460	3.5	0.152	1.8	0.474
Full period	45.2	46.2	42.6	2.6	0.148	3.6 *	0.052	1.0	0.577
Earnings ($)									
Year 1	6,951	7,120	6,901	51	0.886	219	0.562	169	0.633
Year 2	7,571	7,654	7,272	299	0.522	381	0.444	82	0.862
Year 3	8,027	7,742	7,442	585	0.300	300	0.610	-285	0.608
Year 4	7,976	8,446	7,694	282	0.647	752	0.237	470	0.444
Full period	30,526	30,962	29,309	1,217	0.480	1,653	0.364	436	0.796
Sample size (total = 1,603)	546	523	534						

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

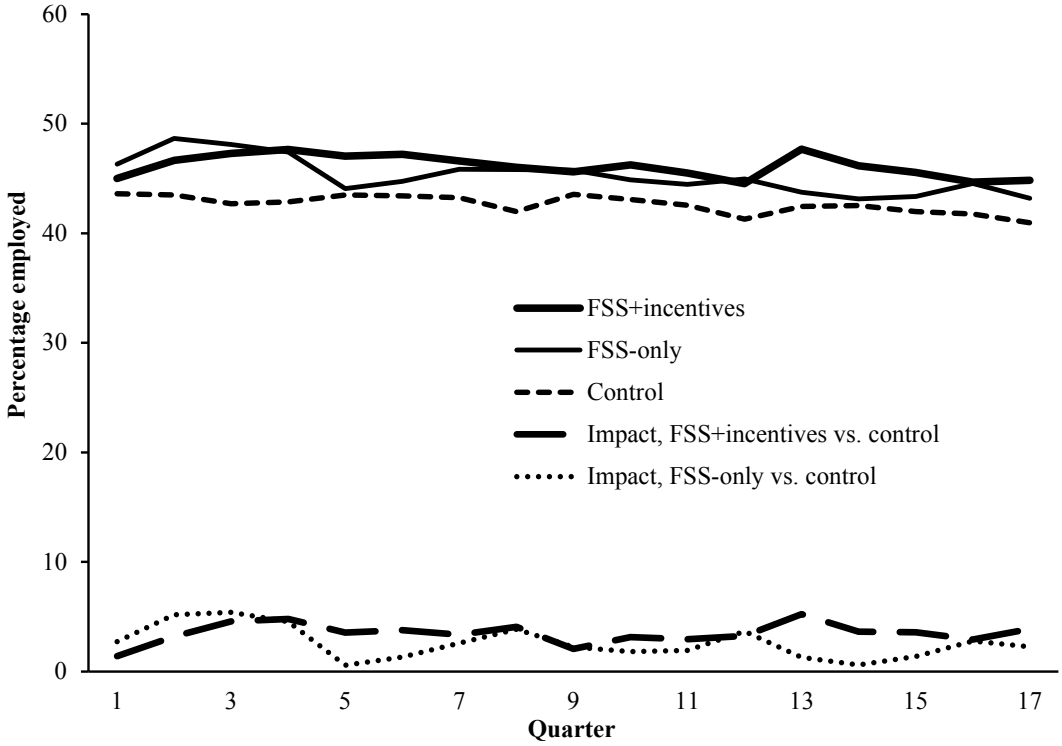
Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences. Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

Figure 3.1

Quarterly Employment Impacts, FSS Study, Core Sample



SOURCE: MDRC calculations from New York State unemployment insurance (UI) wage records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Quarter 1 refers to the quarter of random assignment.

This figure includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

program impact. The different impact estimates on employment observed between UI data and survey data reflect a combination of gains in employment in the types of work that are not covered by UI records (such as informal employment) and some differences in response patterns between the program and control groups — the program group members who were more likely to respond to the survey. Since there is evidence of some response bias, caution is advised in interpreting these and other survey results.[11]

[11]Results of this analysis can be found in Appendix Table A.5.

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Table 3.4

Impacts on Employment and Job Characteristics, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Employed at the time of the survey (%)	48.5	55.1	44.4	4.1	0.205	10.7 ***	0.001	6.6 **	0.042
Average hourly wage [a] ($)	*12.03*	*11.94*	*11.53*	—		—		—	
Less than $7.00 (%)	6.7	6.5	6.7	0.0	0.983	-0.2	0.899	-0.3	0.882
$7.00 - $8.99 (%)	12.7	11.8	11.6	1.1	0.627	0.2	0.923	-0.9	0.697
$9.00 or more (%)	24.3	31.9	22.3	2.0	0.496	9.6 ***	0.001	7.6 ***	0.009
Not reported (%)	4.7	4.8	3.8	1.0	0.527	1.1	0.481	0.1	0.941
Hours worked per week (%)									
1-19	5.5	6.9	4.8	0.8	0.657	2.2	0.204	1.4	0.406
20-29	6.6	9.5	10.6	-4.0 *	0.055	-1.1	0.605	2.9	0.159
30-34	8.5	9.0	8.2	0.2	0.911	0.7	0.717	0.5	0.800
35 or more	26.4	28.3	20.2	6.1 **	0.038	8.0 ***	0.007	1.9	0.519
Not reported	1.5	1.4	0.6	0.9	0.226	0.8	0.300	-0.1	0.861
Worked at least 30 hours per week (%)	34.8	37.2	28.5	6.4 **	0.045	8.8 ***	0.006	2.4	0.445
Average weekly earnings [a] ($)	*356*	*362*	*340*	—		—		—	
Usual work schedule (%)									
Regular daytime shift	35.1	38.7	28.4	6.7 **	0.037	10.3 ***	0.001	3.7	0.251
Regular evening/night shift	4.2	7.7	6.6	-2.3	0.179	1.1	0.514	3.5 **	0.046
Rotating or split shift	5.8	3.5	3.7	2.1	0.154	-0.2	0.897	-2.3	0.120
Irregular shift	2.7	4.0	4.7	-2.1	0.140	-0.8	0.590	1.3	0.350
Other	0.3	0.8	1.0	-0.7	0.226	-0.2	0.717	0.5	0.397
Self-employed (%)	7.7	8.9	6.5	1.3	0.506	2.4	0.209	1.1	0.550

(continued)

Table 3.4 (continued)

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Employer-provided benefits[b] (%)									
Paid sick days	20.0	22.8	18.2	1.8	0.501	4.6 *	0.087	2.8	0.297
Paid vacation days	23.2	26.8	20.6	2.6	0.357	6.2 **	0.029	3.6	0.204
Paid holidays, including Christmas and New Year's Day	24.0	27.6	22.3	1.8	0.546	5.4 *	0.065	3.6	0.211
Dental benefits	15.4	15.6	11.8	3.6	0.127	3.8	0.108	0.2	0.933
A retirement plan	16.0	15.7	14.8	1.2	0.638	0.9	0.710	-0.2	0.922
A health or medical insurance plan	18.6	19.3	17.4	1.1	0.663	1.9	0.465	0.8	0.767
Enrolled in a work-related health or medical insurance plan	12.5	11.7	10.2	2.3	0.284	1.5	0.492	-0.8	0.702
Employment search (%)									
Looked for work in previous 4 weeks	36.6	35.9	36.7	-0.1	0.976	-0.8	0.816	-0.7	0.839
Sample size (total = 1,152)	385	386	381						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Italic type indicates comparisions that are nonexperimental. Statistical tests were not performed.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

If a respondent currently works multiple jobs, then only the primary job is reported. (The job at which the respondent works the most hours is considered primary.)

[a]This dollar amount is calculated among respondents who reported being employed at the time of the survey.

[b]These benefits include benefits that are or eventually will be offered, regardless of whether the respondent receives them.

Table 3.4 also presents measures of job characteristics, including hourly wage, shift type, and benefits received. As this material is not covered in UI records, survey response is the only source of information about these outcomes. Both the FSS-only program and the FSS+incentives program had impacts on some measures of job characteristics. However, the FSS+incentives program had more, larger, and statistically stronger impacts. Among FSS+incentives group members, 31.9 percent reported receiving an hourly wage of $9.00 or more. This finding represents a statistically significant impact of 9.6 percentage points over the control group and 7.6 percentage points over the FSS-only program group. The latter had no impact on wages relative to the control group. Both programs increased the percentage of participants who reported working 35 hours or more each week. In the FSS-only group, 26.4 percent of participants responded in this manner compared with 20.2 percent in the control group, a statistically significant difference of 6.1 percentage points. In the FSS+incentives group, 28.3 percent of participants responded in this manner, a statistically significant impact of 8.0 percentage points over the control group. The difference between FSS-only and FSS+incentives outcomes on this measure is not statistically significant, so it cannot be concluded with confidence that FSS+incentives was more effective than FSS-only, despite the larger difference relative to the control group outcome.

Both programs also produced impacts on job shift characteristics. In the FSS-only group, 35.1 percent reported having a job with a regular daytime shift compared with 28.4 percent in the control group, a statistically significant difference of 6.7 percentage points. In the FSS+incentives group, 38.7 percent reported a regular daytime shift, a statistically significant difference of 10.3 percentage points over the control group. Again, the difference between the two program groups is not itself statistically significant, so it cannot be stated with confidence that the FSS+incentives program had a larger impact, despite the larger estimate provided above.

Impacts on employer-provided benefits are weaker and more doubtful. The FSS-only program had no statistically significant impacts on any of the benefits investigated on the survey. The FSS+incentives program did produce statistically significant impacts on the number of people receiving paid sick days (22.8 versus 18.2, a statistically significant impact of 4.6 percentage points over the control group); paid vacation days (26.8 versus 20.6, a statistically significant impact of 6.2 percentage points over the control group); and paid holidays, such as Christmas and New Year's Day (27.6 percent versus 22.3, a statistically significant impact of 5.4 percentage points over the control group).[12] However, numbers for this group were not statistically significantly different from those in the FSS-only group, leaving open the possibility that FSS-only was similarly effective.

[12]Discrepancies between percentages in the table and the text are due to rounding.

Subgroups

Although the programs did not produce clear and consistent gains in UI employment or earnings overall, they may have done so for particular types of people. MDRC designed the analysis to facilitate investigation of two participant subgroups: those who were not working at random assignment and those who were receiving food stamps at random assignment. As noted, the characteristics of these groups make it possible that they would benefit more from participation in the programs than would others in the program group, especially the FSS+incentives program.

Table 3.5 presents impacts on UI employment and earnings by employment subgroup. Quarterly employment rates for those who were not working at random assignment are quite low through Year 4, reflecting the barriers to employment that such individuals are more likely to face compared with their working counterparts. Control group members in this subgroup were employed, on average, for 23.9 percent of the 16 quarters — or less than a year — during the four-year follow-up period. About 44 percent of the control group members were not employed at any point during the four years (not shown). Average UI earnings for the control group are also quite low: $2,245 in Year 1, rising to $3,811 in Year 4. Combined earnings over the four-year follow-up period equal $12,269.

For this nonworking subgroup, the FSS+incentives program was effective at raising both employment and earnings, even after incentive payments ended. In each year of follow-up, the FSS+incentives program had a statistically significant impact on the average quarterly employment rate of between 7.0 and 8.8 percentage points. The full-period impact on the employment rate was 7.8 percentage points. In each year of follow-up, this program group also experienced statistically significant gains in UI earnings, ranging from $869 in Year 1 to $1,708 in Year 4. This produced an impact on combined earnings over the follow-up period of $5,726. Though the average earnings gains are statistically significant, they are small in absolute terms. Recall, however, that the average includes those who earned no income during the examined periods; it is not the average across workers alone. Furthermore, given the starting point, the relative gains are large: Average earnings for the FSS+incentives program group are about 47 percent over the control group average.

Employment rates for those who were working at random assignment are higher, reflecting the relatively stronger starting position of this subgroup. The average quarterly employment rate for the control group during the follow-up period was 63 percent. Average UI earnings for the employed control subgroup are also higher and fairly stable over time compared with the unemployed control subgroup, peaking at $11,973 in Year 2 and dropping to a minimum of $11,703 in Year 3. Combined earnings over the four-year follow-up period amount

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Table 3.5

Impacts on Employment and Earnings, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels: FSS-Only	FSS+ Incentives	Control Group	FSS-Only vs. Control: Difference (Impact)	P-Value	Sig.	FSS+Incentives vs. Control: Difference (Impact)	P-Value	Sig.	FSS+Incentives vs. FSS-Only: Difference (Impact)	P-Value	Sig.
Not working at random assignment												
Quarterly employment rate (%)												
Year 1	25.7	27.9	20.9	4.8 *	0.087		7.0 **	0.014		2.1	0.457	
Year 2	27.7	31.2	23.3	4.4	0.162		7.9 **	0.014	††	3.5	0.301	
Year 3	29.0	33.7	25.9	3.0	0.362		7.7 **	0.025		4.7	0.187	
Year 4	27.9	34.1	25.3	2.6	0.421		8.8 ***	0.009	††	6.2 *	0.074	
Full period	27.6	31.7	23.9	3.7	0.143		7.8 ***	0.003	††	4.1	0.119	
Total earnings ($)												
Year 1	2,504	3,114	2,245	259	0.537		869 *	0.063	†	610	0.167	
Year 2	3,746	4,472	2,805	941	0.101		1,668 ***	0.007	††	726	0.240	
Year 3	4,365	4,890	3,409	956	0.165		1,481 **	0.028	†	525	0.460	
Year 4	4,285	5,519	3,811	474	0.534		1,708 **	0.026		1,234	0.124	
Full period	14,900	17,995	12,269	2,631	0.202		5,726 ***	0.006	††	3,095	0.146	
Sample size (total = 814)	270	271	273									

(continued)

Table 3.5 (continued)

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value	FSS+Incentives vs. FSS-Only: Sig.
Working at random assignment												
Quarterly employment rate (%)												
Year 1	69.3	69.0	66.9	2.5	0.350		2.2	0.387		-0.3	0.917	
Year 2	63.7	63.4	64.6	-1.0	0.752		-1.3	0.690	††	-0.3	0.926	
Year 3	60.2	60.4	60.5	-0.3	0.929		-0.1	0.968		0.2	0.963	
Year 4	59.0	58.6	59.9	-0.8	0.813		-1.3	0.722	††	-0.5	0.896	
Full period	63.1	62.8	63.0	0.1	0.974		-0.1	0.961	††	-0.2	0.935	
Total earnings ($)												
Year 1	11,618	11,469	11,845	-226	0.687		-376	0.527	†	-149	0.790	
Year 2	11,642	11,115	11,973	-331	0.657		-858	0.290	††	-527	0.476	
Year 3	11,844	10,903	11,703	142	0.876		-800	0.406	†	-942	0.274	
Year 4	11,848	11,778	11,724	123	0.899		54	0.958		-69	0.942	
Full period	46,952	45,265	47,245	-292	0.916		-1,980	0.506	††	-1,687	0.524	
Sample size (total = 771)	271	246	254									

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Differences across subgroup impacts were tested for statistical significance. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause discrepancies in calculating sums and differences. Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

to $47,245; although this subgroup is better off on average than those who were not employed at random assignment, its earnings are quite low.[13]

Neither the FSS-only nor the FSS+incentives programs had any statistically significant impacts on employment or earnings for participants in the employed subgroup during the study period. This finding is consistent with the hypothesis that guided this subgroup analysis — that it is easier to move people into any work (regardless of stability or quality of the job) than it is to move those who are already working into better-quality, more stable, and more remunerative work.

The significance column (abbreviated "Sig.") that appears in each section of Table 3.5 includes indicators of statistically significant differences in impacts across subgroups. A dagger (†) signifies confidence that the impact a program produced for one subgroup (for example, those who were not employed at random assignment) is truly different (that is, not a result of chance) from the impact that the same program produced for another subgroup. The table demonstrates that the FSS+incentives program produced a larger impact on those who were not employed at random assignment than it did on those who were employed at random assignment.

MDRC conducted a similar subgroup impact analysis of UI records using food stamp receipt at random assignment to investigate whether the "double disincentive" of receiving such a benefit along with a housing voucher influenced program impacts.[14] There is no evidence that impacts varied according to food stamp receipt at random assignment based on UI data. Results for this analysis can be found in the supplement to this report.[15]

As with the administrative records, MDRC conducted subgroup analysis of survey response data to investigate whether program impacts were associated with employment and food stamp receipt at random assignment. Table 3.6 presents results from the analysis of survey responses on employment status and job characteristics according to employment status at random assignment. The findings are similar to those presented in Table 3.4: FSS-only had no impacts on employment status; FSS+incentives did have impacts on employment, but these impacts are concentrated among those who were not working at the time of random assignment.

For the unemployed subgroup, the impacts of FSS+incentives on employment are large, with 36.6 percent of program subgroup respondents reporting that they were currently em-

[13]Compare with federal poverty threshold: www.census.gov/hhes/www/poverty/data/threshld.

[14]Recall that analysis in this chapter uses SNAP administrative records to assign subgroup membership.

[15]See Appendix Table F.6 in Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

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Table 3.6

Impacts on Employment and Job Characteristics, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control			FSS+Incentives vs. Control			
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Sig.	Difference (Impact)		P-Value	Sig.
Not working at random assignment										
Currently employed at the time of the survey (%)	24.8	36.6	19.6	5.3	0.253		17.0	***	0.000	††
Average hourly wage ($)	*11.16*	*12.45*	*8.90*	—	—		—		—	—
Worked at least 30 hours per week (%)	15.8	23.5	12.3	3.5	0.379		11.2	***	0.004	
Self-employed (%)	6.0	3.9	3.5	2.6	0.241		0.4		0.853	
Any employer-provided benefits (%)	12.7	20.5	11.1	1.7	0.655		9.4	***	0.010	
Sample size (total = 572)	179	205	188	—	—		—		—	—
Working at random assignment										
Currently employed at the time of the survey (%)	71.8	73.4	69.4	2.4	0.602		4.0		0.401	††
Average hourly wage ($)	*12.29*	*11.70*	*12.20*	—	—		—		—	—
Worked at least 30 hours per week (%)	53.7	51.2	44.2	9.4	0.060	*	6.9		0.180	
Self-employed (%)	10.1	13.6	9.7	0.4	0.886		3.9		0.221	
Any employer-provided benefits (%)	47.2	46.6	44.6	2.7	0.582		2.1		0.681	
Sample size (total = 571)	203	179	189							

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Italic type indicates comparisions that are nonexperimental. Statistical tests were not performed.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

ployed versus 19.6 percent of control subgroup respondents (a statistically significant difference of 17.0 percentage points). Again, analysis of UI records suggested a smaller effect.[16]

For those who were working at random assignment, neither program had an impact on employment. Over 90 percent of respondents in each program subgroup were employed at any point since random assignment (not shown) and around 70 percent of each program subgroup were employed at the time of the survey. Comparison of impact results by subgroup reveals statistically significant impact differences for the FSS+incentives program, suggesting that the program had a larger impact on current employment (as of the survey) for those who were not employed at random assignment than for those who were employed at random assignment (for whom the program had no statistically significant impacts).

There is some evidence that the FSS+incentives program boosted employer-provided benefits receipt and hours worked for those who were not working at random assignment. The FSS+incentives program had no impact on these measures for those who were working at random assignment. However, the difference in impacts between these subgroups is not itself statistically significant. This finding reduces confidence that the impacts observed for those who were not working at the time of random assignment are "real" rather than the product of chance.

MDRC conducted a similar subgroup impact analysis of survey data using food stamp benefit receipt at random assignment to investigate whether the "double disincentive" of receiving such a benefit along with a housing voucher influenced program impacts (not shown). MDRC finds no evidence through this analysis to support this hypothesis.

Exploratory Subgroup Analysis

In an effort to inform several forthcoming affordable housing services interventions, MDRC conducted a separate, exploratory analysis on a subgroup of the FSS study sample that was especially disadvantaged when they enrolled in the study. Appendix Table C.4 compares program impacts on employment and earnings for those who were receiving food stamps *and* were not employed at random assignment with impacts for the rest of the sample. Receiving food stamps is, like being unemployed or out of the labor force, also an indicator of material hardship. The results suggest that both FSS programs were more effective in improving employment and earnings outcomes for these people than for those in the sample who were employed or not receiving food stamps. This finding will need to be investigated in a future study.

The results for this subgroup should be interpreted with caution, because increasing the number of subgroup analyses also increases the risk of finding impacts that are statistically significant only by chance. Since in this case, no well-developed hypothesis exists to explain

[16]Recall, though, that the survey results may be upwardly biased and therefore may produce impact estimates that are inflated.

the effect, the possibility of finding spurious impacts that are statistically significant looms larger. This finding, therefore, is more useful as context in developing hypotheses for the forthcoming national FSS evaluation than as conclusive evidence about the effects of the Work Rewards interventions.

Summary

UI records reveal that both FSS-only and FSS+incentives had an initial impact on employment rates. The impact faded in the FSS-only group but there is mixed evidence that it persisted in the FSS+incentives group. Subgroup analysis reveals that the FSS+incentives program did increase employment and earnings for those who were not employed at the time of random assignment. The earnings gains for this subgroup were small in absolute terms but represent large relative gains over the control group experience.

Analysis of survey responses suggests that FSS alone is insufficient to move people to work or better work. The FSS+incentives program had some success boosting employment among those who were not working at random assignment, but it had little effect in improving employment outcomes for those who were working at random assignment. Some of the gains in employment may have been in informal jobs that do not offer unemployment insurance, but there is reason to believe that the observed impacts are artificially large because of response bias on the survey — in this case, the program subgroup sample members who responded to the survey (versus those who did not respond) were a nonrandom subgroup of households that had better employment outcomes than the rest of the sample, and are therefore not reflective of the FSS core sample. The programs may have also improved job quality, regular shift work, and the receipt of some employer-provided benefits; however, the impact estimates for these outcomes are statistically weaker.

Benefits Receipt

The second part of increasing self-sufficiency is moving people off of public benefits, or at least reducing their reliance on such benefits. Recall, also, that graduation from FSS requires the household to be free of cash assistance (TANF and SNA benefits in New York State) for the 12 months prior to program exit.

The tables that follow present an analysis of benefit receipt outcomes. The analysis presented above revealed that the FSS+incentives program boosted employment and earnings for those who were not employed at random assignment. On the one hand, the gains found in the analysis of UI data were small in absolute terms and may not be sufficient to reduce benefit amount or receipt. On the other hand, survey response revealed that some participants in the FSS+incentives program may have obtained employment that is not covered by these records.

Though work not covered by UI is typically poor in quality and compensation, the gains in income generated by the FSS+incentives program for this subgroup may be understated by analysis of UI records alone.

Table 3.7 presents program impacts on TANF or SNA and food stamp receipt for the FSS core sample. Data for this analysis were obtained from HRA and cover the period through March 31, 2013, and for four years after study entry for each sample member. Note that these data are presented at the *household* level. If the program indirectly led to changes in behavior in household members who were not participating in the study, the effects of that change in behavior on household-level public benefits receipt would be reflected in these data.

The top part of the table presents impact findings on TANF/SNA receipt and value for each of the four study years and over the entire study follow-up period. Receipt and value are considered separately because even if a program failed to move participants off TANF completely, it may have lessened financial hardship enough to reduce the dollar amount in TANF support received yearly. Neither program reduced reliance on TANF/SNA throughout most of the program period. However, FSS+incentives appears to have reduced receipt of TANF/SNA in the last quarter for which records are available. In the FSS+incentives group, 21.7 percent of participants received TANF/SNA in the last quarter of follow-up, which represents a statistically significant drop from the control group value of 27.5 percent (–5.8 percentage points). Although neither program raised earnings or increased employment for participants overall, TANF/SNA receipt may be dropping for the FSS+incentives group because of program graduation requirements. In order to graduate and receive escrow funds (which, as discussed in Chapter 4, can still accumulate in the absence of program impacts on earnings), participants and members of their households must be free of public assistance for 12 consecutive months. As FSS is designed to be a five-year program, participants might be expected to attempt this goal after approximately four program years. A future report will investigate whether this attempt translates into program graduation and long-term self-sufficiency.

The FSS-only program does not appear to have affected food stamp receipt or value, as shown in the bottom portion of Table 3.7. There is some evidence, however, that the FSS+incentives program reduced the percentage of households receiving food stamps in Year 4 and in the last quarter covered by public records. Among FSS+incentives program group members, 69.4 percent reported receiving food stamps in the last quarter of Year 4, compared with 77.1 percent of control group members. The –7.7 percentage point difference is statistically significant, suggesting that FSS+incentives reduced food stamp receipt. The FSS program does not require participants to forgo food stamps to graduate. Given the lack of earnings gains for the FSS+incentives group overall, this makes the impact somewhat surprising.

Table 3.7

Impacts on Benefits Receipt, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
TANF/SNA receipt									
Received TANF/SNA, Years 1-4 (%)	52.0	50.6	55.7	-3.7	0.168	-5.1 *	0.055	-1.5	0.581
Average quarterly receipt (%)									
Year 1	30.4	30.2	32.7	-2.3	0.221	-2.5	0.197	-0.2	0.936
Year 2	26.2	27.4	30.6	-4.4 **	0.038	-3.2	0.135	1.2	0.571
Year 3	24.6	24.1	26.8	-2.2	0.318	-2.6	0.227	-0.5	0.826
Year 4	23.6	23.6	26.6	-3.0	0.179	-3.0	0.178	0.0	0.987
Full period	26.2	26.3	29.2	-3.0 *	0.089	-2.8	0.107	0.1	0.939
Last quarter	24.4	21.7	27.5	-3.1	0.216	-5.8 **	0.023	-2.7	0.293
Amount received ($)									
Year 1	1,416	1,516	1,550	-133	0.208	-33	0.755	100	0.349
Year 2	1,412	1,411	1,583	-171	0.212	-171	0.216	0	0.998
Year 3	1,253	1,241	1,393	-140	0.309	-152	0.274	-12	0.930
Year 4	1,221	1,272	1,389	-169	0.246	-118	0.422	51	0.728
Full period	5,302	5,441	5,915	-613	0.159	-474	0.280	139	0.752
Last quarter	310	300	353	-44	0.277	-54	0.185	-10	0.805
Food stamp receipt									
Received food stamps, Years 1-4 (%)	89.2	88.4	90.0	-0.9	0.643	-1.6	0.382	-0.8	0.676
Average quarterly receipt (%)									
Year 1	75.4	76.5	74.8	0.6	0.770	1.8	0.394	1.2	0.572
Year 2	76.6	76.4	77.8	-1.2	0.608	-1.4	0.544	-0.2	0.920
Year 3	76.3	75.5	77.0	-0.7	0.763	-1.5	0.527	-0.8	0.737
Year 4	73.7	71.1	77.5	-3.8	0.127	-6.4 ***	0.010	-2.7	0.281
Full period	75.5	74.9	76.7	-1.3	0.522	-1.9	0.341	-0.6	0.749
Last quarter	73.4	69.4	77.1	-3.7	0.170	-7.7 ***	0.005	-4.0	0.142

(continued)

Table 3.7 (continued)

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Amount received ($)									
Year 1	3,037	3,022	3,000	37	0.690	22	0.812	-15	0.875
Year 2	3,424	3,372	3,436	-12	0.920	-64	0.596	-52	0.666
Year 3	3,384	3,217	3,328	55	0.677	-112	0.407	-167	0.213
Year 4	3,168	2,919	3,276	-107	0.447	-356 **	0.012	-249 *	0.079
Full period	13,013	12,531	13,040	-27	0.949	-509	0.225	-483	0.248
Last quarter	788	721	805	-18	0.649	-84 **	0.032	-66 *	0.088
Sample size (total = 1,455)	492	476	487						

SOURCE: MDRC calculations using administrative records data from the New York City Human Resources Administration (HRA).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The HRA outcome data cover TANF/SNA and food stamp receipt through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

TANF/SNA and food stamp outcomes and impacts are averages among core sample households.

Rounding may cause discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive TANF/SNA or food stamps.

The 42-month follow-up survey asked respondents to list sources of income in the month before the survey. Sources include respondent earnings, earnings from other members of the household, child support, and a variety of public benefits programs. Table 3.8 presents impact findings for these measures. Consistent with expectations, respondents in the FSS+incentives group are more likely to report personal earnings as a source of household income in the previous month (a statistically significant 11.0 percentage point gain).

The respondents from the FSS+incentives group are less likely than either the control group or the FSS-only group to report that they had received food stamps in the month before the survey. This impact is strongly statistically significant (1 percent or better) and fairly large (a decrease of 8.2 percentage points). Although analysis of SNAP records revealed the possibility that the FSS+incentives program decreased food stamp receipt toward the end of the follow-up period by a similar magnitude (about 8 percentage points), the survey took place during a period in which no such impact was detected in public benefits records. There is, therefore, somewhat of a mismatch between public records and survey response for this outcome. Given evidence of survey response bias, this result should be interpreted with caution.

Subgroups

Table 3.9 presents impact findings for TANF/SNA and food stamp outcomes using public benefits records by employment status at random assignment. Recall that the FSS+incentives program appeared to increase earnings for those who were not working at random assignment. TANF/SNA and food stamp benefits value might be expected to decline for these participants.

The table first presents impacts on TANF/SNA and food stamp receipt and value for participants who were not working at random assignment. Although the gains in employment and earnings revealed in the analysis of UI records and survey response data for those in the FSS+incentives group were concentrated among those who were not working at random assignment, there are no sustained impacts for this subgroup on TANF/SNA receipt or value. As with the whole group, however, there appears to be a drop in TANF/SNA benefit value toward the end of the follow-up period. The impact for those who were not working at random assignment is, however, just shy of statistical significance at the 10 percent level and is not significantly different from the impact for those who were working at random assignment. There is, as with the entire core sample, some evidence that food stamp receipt and value also dropped for this subgroup. The impacts are statistically significant but not statistically different from those for the working subgroup, so it cannot be said with certainty that the program affected these two groups differently.

For the FSS-only group, those who were not working at random assignment appear to have experienced a sharp and statistically significant drop in TANF receipt in the first two years

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Table 3.8

Impacts on Income Sources, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Household income source in prior month (%)									
Respondent's earnings	52.4	57.8	46.8	5.6 *	0.091	11.0 ***	0.001	5.4	0.103
Other household members' earnings	11.4	14.1	11.1	0.3	0.895	3.0	0.216	2.6	0.267
Food stamps	77.8	72.9	81.0	-3.3	0.261	-8.2 ***	0.005	-4.9 *	0.091
Child support	15.0	14.6	16.2	-1.2	0.648	-1.5	0.544	-0.4	0.881
Temporary Assistance for Needy Families (TANF) or other cash assistance	11.4	10.9	14.2	-2.8	0.232	-3.3	0.154	-0.5	0.815
Supplemental Security Income or Disability	24.7	23.2	26.4	-1.7	0.579	-3.2	0.292	-1.5	0.616
Unemployment insurance (UI)	12.5	10.5	8.5	4.0 *	0.073	2.0	0.371	-2.0	0.369
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	9.8	8.6	9.7	0.1	0.977	-1.1	0.602	-1.1	0.581
Heating or cooling assistance	6.7	4.6	6.3	0.4	0.804	-1.7	0.332	-2.1	0.221
Free or reduced-price school lunch	39.7	38.2	39.2	0.5	0.886	-0.9	0.772	-1.4	0.665
Other	49.4	45.5	48.4	1.0	0.776	-2.9	0.387	-3.9	0.250
Filed 2010 tax return (%)	60.7	67.6	59.9	0.8	0.808	7.6 **	0.017	6.9 **	0.032
Sample size (total = 1,152)	385	386	381						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

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Table 3.9

Four-Year Impacts on Benefits Receipt, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control			FSS+Incentives vs. Control		
	FSS-Only	FSS+Incentives	Control Group	Difference (Impact)	P-Value	Sig.	Difference (Impact)	P-Value	Sig.
Not working at random assignment									
Received TANF/SNA, Years 1-4 (%)	66.0	66.2	67.1	-1.0	0.769		-0.9	0.796	
Average quarterly TANF/SNA receipt (%)									
Year 1	44.3	47.0	50.8	-6.6 **	0.030	††	-3.8	0.209	
Year 2	37.2	39.9	46.1	-9.0 ***	0.009	††	-6.3 *	0.064	
Year 3	35.0	35.8	38.1	-3.1	0.388		-2.3	0.519	
Year 4	33.1	33.4	36.2	-3.1	0.382		-2.8	0.439	
Full period	37.4	39.0	42.8	-5.4 *	0.057		-3.8	0.184	
Last quarter	31.5	31.0	37.3	-5.9	0.134		-6.4	0.102	
Total amount of TANF/SNA received ($)									
Year 1	2,182	2,416	2,454	-272	0.110		-38	0.821	
Year 2	2,130	2,129	2,514	-384 *	0.097		-385 *	0.094	
Year 3	1,890	1,884	2,168	-278	0.242		-284	0.231	
Year 4	1,819	1,802	2,069	-250	0.312		-266	0.280	
Full period	8,021	8,231	9,205	-1,184	0.114		-974	0.192	
Last quarter	432	445	528	-96	0.159		-83	0.222	
Received food stamps, Years 1-4 (%)	91.8	93.6	93.0	-1.2	0.596		0.7	0.768	
Average quarterly food stamp receipt (%)									
Year 1	78.9	86.9	84.1	-5.2 *	0.059	†††	2.8	0.317	
Year 2	78.5	83.3	84.5	-6.0 **	0.046	††	-1.1	0.709	
Year 3	78.7	81.6	84.2	-5.5 *	0.082	†	-2.6	0.409	
Year 4	76.8	76.3	83.3	-6.5 *	0.054		-7.0 **	0.038	
Full period	78.2	82.0	84.0	-5.8 **	0.029	††	-2.0	0.453	
Last quarter	77.8	74.5	81.1	-3.2	0.376		-6.6 *	0.073	

(continued)

Table 3.9 (continued)

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.
Total amount of food stamps received ($)									
Year 1	3,306	3,225	3,272	34	0.790		-48	0.710	
Year 2	3,595	3,465	3,585	11	0.946		-120	0.454	
Year 3	3,507	3,225	3,528	-21	0.910		-303	0.102	
Year 4	3,242	2,912	3,364	-122	0.525		-451	0.018	**
Full period	13,651	12,827	13,748	-98	0.865		-922	0.108	
Last quarter	790	728	782	8	0.873		-54	0.304	
Sample size (total = 721)	237	241	243						
Working at random assignment									
Received TANF/SNA, Years 1-4 (%)	38.3	35.0	43.8	-5.4	0.171		-8.8	0.030	**
Average quarterly TANF/SNA receipt (%)									
Year 1	16.2	13.8	14.6	1.5	0.501	††	-0.8	0.738	
Year 2	14.7	15.4	15.4	-0.6	0.808	††	0.1	0.975	
Year 3	13.7	13.1	16.0	-2.3	0.347		-2.9	0.256	
Year 4	13.4	14.4	17.1	-3.7	0.177		-2.7	0.335	
Full period	14.5	14.2	15.8	-1.3	0.529		-1.6	0.448	
Last quarter	16.5	12.9	17.4	-0.9	0.771		-4.5	0.170	
Amount of TANF/SNA received ($)									
Year 1	638	620	671	-32	0.786		-50	0.680	
Year 2	668	694	704	-35	0.806		-9	0.950	
Year 3	589	638	649	-60	0.669		-11	0.941	
Year 4	599	775	721	-121	0.432		54	0.733	
Full period	2,495	2,728	2,744	-249	0.560		-16	0.971	
Last quarter	180	161	177	4	0.931		-16	0.721	

(continued)

Table 3.9 (continued)

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.
Received food stamps, Years 1-4 (%)	87.0	83.8	87.2	-0.2	0.947		-3.4	0.248	
Average quarterly food stamp receipt (%)									
Year 1	72.0	66.9	65.3	6.7 **	0.026	†††	1.6	0.601	
Year 2	74.8	70.3	71.0	3.8	0.264	††	-0.7	0.843	
Year 3	73.6	70.4	70.1	3.5	0.312	†	0.3	0.932	
Year 4	70.4	67.0	71.9	-1.6	0.668		-4.9	0.184	
Full period	72.7	68.7	69.6	3.1	0.278	††	-0.9	0.752	
Last quarter	68.8	65.3	73.6	-4.8	0.227		-8.3 **	0.040	
Total amount of food stamps received ($)									
Year 1	2,797	2,868	2,738	59	0.660		131	0.343	
Year 2	3,286	3,321	3,285	1	0.996		36	0.842	
Year 3	3,286	3,265	3,144	141	0.464		121	0.541	
Year 4	3,106	2,988	3,207	-101	0.631		-219	0.308	
Full period	12,474	12,442	12,374	100	0.868		68	0.912	
Last quarter	784	729	837	-52	0.366		-108 *	0.069	
Sample size (total = 722)	251	232	239						

SOURCE: MDRC calculations using administrative records data from the New York City Human Resources Administration (HRA).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The HRA outcome data cover TANF/SNA and food stamp receipt through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

TANF/SNA and food stamp outcomes and impacts are averages among core sample households.

Rounding may cause discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive TANF/SNA or food stamps.

of the program, though the impact disappears over the following two years of follow-up. The group also experienced a statistically significant drop in food stamp receipt. These impacts are statistically significantly different from the impacts for those in the program group who were working at random assignment. After an initial impact on employment rates that faded after Year 1, neither the FSS-only program group as a whole nor those in the group who were not working at random assignment experienced any statistically significant gains in employment or earnings during the study follow-up period, so it is unclear what could be driving these effects.

As noted, the 42-month follow-up survey included a question that asked respondents to list their sources of income in the month before the survey. Sources include respondent earnings, earnings from other members of the household, child support, and a variety of public benefits programs. Analysis of these outcomes by employment status and food stamp receipt at random assignment revealed no differential impacts for either variable in each program group (as shown in Appendix Table C.1).

Summary

There is little evidence that the FSS-only or FSS+incentives program reduced overall reliance on public benefits. Analysis of administrative records and survey response data revealed few statistically significant impact differentials for public benefits receipt, either. Gains in employment and earnings in the FSS+incentives group for those who were not working at random assignment do not appear to have translated into decreased reliance on TANF/SNA or food stamps. However, there is some emerging evidence from the last quarter for which public records are available that participants in both program groups are beginning to leave TANF/SNA (and possibly food stamps). FSS is a five-year program, and its successful completion requires participants to be free of cash assistance (TANF/SNA) for a full 12 months before graduation. This finding for the last quarter may, therefore, represent the beginning of efforts to fulfill program graduation requirements and receive accumulated escrow. MDRC's final report on Work Rewards will investigate the success of these efforts.

Housing

Housing vouchers cover the remaining portion of an estimated fair market rent after tenants pay for a proportion of the rent based on their household's income, so the voucher amount should decrease if a household's income increases.

Housing assistance is not a federal entitlement; there are limited slots and not enough money available to cover all those who qualify for this program. There are long waiting lists for voucher assistance at many public housing authorities around the country. The FSS program, if successful in reducing or obviating the need for voucher assistance to participating households,

could also free up money and slots to serve a larger population of needy families. Therefore, an impact on housing assistance measures would be a particularly important finding.

As noted in Tables 3.10 and 3.11, the housing subsidy amounts that are presented reflect the amount that is paid to the housing owners (or landlords) and exclude utility allowance payments, which are paid directly to the tenants.[17] The total subsidy that HUD provides is the amount paid to the owners plus the utility allowance (if any) that is paid to the tenant, so when no utility allowance is paid to the tenant, the total subsidy amount is just the amount paid to the owners. A separate analysis of HPD housing data revealed that in 98 percent of cases, these amounts were exactly the same.

Core Sample

Table 3.10 presents impact findings on housing voucher receipt and value. There is little evidence that the FSS-only or FSS+incentives program has led to reduced housing voucher receipt or value. At the end of the follow-up period, about 90 percent of participants in each study group continued to receive housing assistance through New York City's HCV Program. However, there were no earnings gains for the two program groups as a whole, so this is not surprising.

Subgroups

Table 3.11 presents impact findings on housing voucher receipt and value (the Section 8 housing subsidy), by employment status at random assignment. The impacts presented here may seem puzzling. UI records reveal earnings gains for those in the FSS+incentives group who were not working at random assignment. Those earnings gains, all else being equal, should have resulted in a drop in the housing voucher value, given HCV rent rules. However, this is not reflected in the data. To the extent that there is an impact, it appears that those in the FSS+incentives group who were working at random assignment have begun to reduce their reliance on housing vouchers (though the average effect is small, at less than one month per year of reduced voucher receipt). Those who are newly working may receive child care and transportation expense allowances from public housing authorities that cancel out earnings gains that would have otherwise diminished the value of the housing voucher. Though there is no evidence that this subgroup was more likely to move during the study period, it is possible that those who did move were more likely to move into housing closer to the market rate. This could lead to a net increase in housing assistance regardless of earnings gains. More investigation is required.

[17]In interpreting the federal housing law, HUD has defined the Total Resident Payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a public housing authority determines is necessary to cover the resident's reasonable utility costs is the utility allowance. For more on the utility allowance payment and how it is calculated, see U.S. Department of Housing and Urban Development (n.d.).

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Table 3.10

Impacts on Section 8 Housing and Section 8 Reported Income, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Received Section 8 housing subsidy (%)									
Year 1	98.8	98.1	98.3	0.5	0.519	-0.2	0.845	-0.7	0.402
Year 2	95.3	93.8	96.7	-1.4	0.303	-2.8 **	0.039	-1.4	0.294
Year 3	92.4	91.9	94.1	-1.7	0.309	-2.2	0.179	-0.6	0.735
Year 4	90.5	89.5	90.9	-0.3	0.860	-1.4	0.466	-1.1	0.578
Full period	98.8	98.4	98.3	0.5	0.551	0.0	0.957	-0.4	0.591
Number of months received Section 8 housing subsidy									
Year 1	11.7	11.5	11.7	0.0	0.996	-0.2 *	0.089	-0.2 *	0.089
Year 2	11.2	11.2	11.5	-0.2	0.196	-0.3 *	0.093	-0.1	0.688
Year 3	10.9	10.9	11.1	-0.2	0.311	-0.3	0.229	0.0	0.840
Year 4	10.7	10.6	10.8	-0.1	0.759	-0.2	0.417	-0.1	0.610
Full period	44.5	44.1	45.0	-0.5	0.450	-0.9	0.162	-0.4	0.514
Total Section 8 housing subsidy[a] ($)									
Year 1	10,062	9,824	9,855	208	0.325	-31	0.886	-238	0.262
Year 2	10,222	9,750	9,823	399	0.114	-72	0.776	-471 *	0.064
Year 3	10,319	9,819	9,876	444	0.129	-56	0.849	-500 *	0.089
Year 4	10,488	9,847	10,146	342	0.285	-299	0.355	-641 **	0.047
Full period	41,092	39,241	39,699	1,392	0.157	-458	0.644	-1,850 *	0.062
Sample size (total = 1,455)	492	476	487						

(continued)

Table 3.10 (continued)

SOURCE: MDRC calculations using data from New York City Housing Preservation and Development (HPD) Section 8 housing records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The data cover housing records through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Housing subsidy outcomes and impacts are averages among core sample households.

Rounding may cause discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive housing subsidies.

[a]The measure reflects the housing subsidy paid by the housing agency to landlords. This amount excludes utility allowance payments made directly to tenants. A separate analysis of HPD data showed that in 98 percent of cases, the subsidy paid to the owner and total subsidy for a voucher household were exactly the same.

Summary

Overall, analysis reveals little impact on housing assistance for either FSS program group, despite gains in earnings and employment for the unemployed subgroup. It is possible that these gains were offset by deductions for child care, transportation, or other expenses associated with the move to work, or that earnings gains induced movement into higher-rent housing. Given the small sample size available for the subgroup analysis, it is also possible that the models lacked the statistical power to detect small changes that did occur.

Discussion

This chapter analyzed the effects of the FSS-only and FSS+incentives programs on a variety of education, employment, earnings, and public benefits receipt outcomes. Analysis of public records data was supplemented with that of survey response data, since surveys can provide information about outcomes and activities that public records do not cover. The main observations from this analysis are as follows. First, the FSS-only program was unsuccessful in moving people to work or to better work as a whole. It did not increase earnings for participants and it subsequently did not reduce participants' reliance on public benefits. Second, the FSS+incentives program did successfully increase employment and earnings, but only for those who were not

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Table 3.11

Impacts on Section 8 Housing and Section 8 Reported Income, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control			FSS+Incentives vs. Control			FSS+Incentives vs. FSS-Only		
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Sig.	Difference (Impact)	P-Value	Sig.	Difference (Impact)	P-Value	Sig.
Not working at random assignment												
Received Section 8 housing subsidy (%)												
Year 1	99.5	99.3	97.9	1.6 *	0.090		1.3	0.162		-0.3	0.768	
Year 2	94.2	96.2	95.0	-0.8	0.693		1.2	0.532	†††	2.0	0.311	††
Year 3	91.2	93.4	92.9	-1.7	0.479		0.5	0.842		2.2	0.367	
Year 4	90.2	91.6	89.9	0.3	0.916		1.8	0.513		1.5	0.586	
Full period	99.5	99.6	97.9	1.6 *	0.076		1.7 *	0.058	†	0.1	0.903	
Number of months received Section 8 housing subsidy												
Year 1	11.7	11.7	11.6	0.1	0.473		0.2	0.296	†††	0.0	0.746	†
Year 2	11.1	11.4	11.3	-0.2	0.435		0.1	0.742	†	0.3	0.269	†
Year 3	10.8	11.1	10.9	-0.1	0.625		0.2	0.568	†	0.3	0.292	
Year 4	10.7	10.8	10.6	0.1	0.844		0.1	0.649		0.1	0.797	
Full period	44.3	45.0	44.4	-0.2	0.858		0.6	0.555	†	0.7	0.444	
Total Section 8 housing subsidy[a] ($)												
Year 1	10,331	10,290	9,918	413	0.151		372	0.195	††	-40	0.889	
Year 2	10,377	10,241	9,849	528	0.143		393	0.276	†	-136	0.708	
Year 3	10,515	10,330	9,923	592	0.164		407	0.338		-185	0.665	
Year 4	10,764	10,093	10,219	545	0.244		-126	0.787		-671	0.154	
Full period	41,987	40,955	39,909	2,078	0.138		1,046	0.454		-1,032	0.463	
Sample size (total = 721)	237	241	243									

(continued)

Table 3.11 (continued)

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value	FSS+Incentives vs. FSS-Only: Sig.
Working at random assignment												
Received Section 8 housing subsidy (%)												
Year 1	98.1	97.2	98.5	-0.4	0.750		-1.3	0.315		-0.9	0.482	
Year 2	96.1	92.1	98.0	-1.9	0.316		-5.9 ***	0.002	†††	-4.0 **	0.034	††
Year 3	93.2	91.3	95.2	-2.0	0.380		-3.9 *	0.089		-1.9	0.395	
Year 4	91.2	88.2	91.5	-0.3	0.909		-3.3	0.223		-3.0	0.262	
Full period	98.1	97.2	98.5	-0.4	0.750		-1.3	0.315	†	-0.9	0.482	
Number of months received Section 8 housing subsidy												
Year 1	11.6	11.2	11.7	-0.1	0.564		-0.5 ***	0.008	†††	-0.4 **	0.034	†
Year 2	11.3	11.0	11.6	-0.2	0.298		-0.6 **	0.024	†	-0.3	0.209	†
Year 3	11.0	10.7	11.3	-0.3	0.366		-0.5 *	0.065	†	-0.3	0.329	
Year 4	10.7	10.5	10.8	-0.1	0.727		-0.4	0.269		-0.3	0.439	
Full period	44.7	43.4	45.4	-0.7	0.439		-2.0 **	0.041	†	-1.2	0.190	
Total Section 8 housing subsidy[a] ($)												
Year 1	9,764	9,373	9,863	-99	0.751		-490	0.123	††	-391	0.212	
Year 2	10,026	9,353	9,857	169	0.635		-504	0.166	†	-673 *	0.061	
Year 3	10,094	9,427	9,886	208	0.609		-459	0.269		-667	0.104	
Year 4	10,251	9,707	10,111	140	0.754		-405	0.375		-544	0.227	
Full period	40,136	37,861	39,718	418	0.765		-1,858	0.194		-2,275	0.107	
Sample size (total = 722)	251	232	239									

(continued)

Table 3.11 (continued)

SOURCE: MDRC calculations using data from New York City Housing Preservation and Development (HPD) Section 8 housing records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The data cover housing records through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Housing subsidy outcomes and impacts are averages among core sample households.

Rounding may cause discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive housing subsidies.

[a]The measure reflects the housing subsidy paid by the housing agency to landlords. This amount excludes utility allowance payments made directly to tenants. A separate analysis of HPD data showed that in 98 percent of cases, the subsidy paid to the landlord and total subsidy for a voucher household were exactly the same.

working at random assignment. These gains were apparently insufficient to reduce participants' reliance on public benefits; neither the program group as a whole nor those who were not employed at random assignment experienced an impact on public benefits receipt or value.

There is some evidence, however, that both programs caused some participants to begin moving off of TANF/SNA at the beginning of the fifth program year, the last quarter for which public records are available. This behavior may represent initial efforts to graduate from the FSS program and receive escrow. Therefore, the programs' long-term impacts on this outcome require further investigation.

The findings underscore the challenges of moving this population into work and of helping them advance into higher-quality, more stable, and more remunerative work. However, the gains in both employment and earnings experienced by those who were not working at random assignment in the FSS+incentives group suggest that incentive payments may serve as a valuable component of any future intervention designed to promote employment. MDRC will be conducting a national evaluation of the FSS program through 2018. These findings will answer the important question of whether FSS by itself can produce significant impacts on employment and earnings in contexts very different from New York City.

The next chapter presents impact findings on banking, material hardship, and financial well-being. Though the earnings and employment gains discussed in this chapter did not trans-

late into reduced reliance on public benefits, they may have been sufficient to reduce material hardship and improve the quality of life for participants. Program participation may have also helped participants to open and maintain bank accounts, which could reduce reliance on check cashers and thus indirectly improve financial outcomes by decreasing costs. This possibility is investigated as well.

Chapter 4

Impacts of FSS-Only and FSS+Incentives on Poverty, Material Hardship, and Financial Well-Being

The analyses presented in the last chapter showed that the Family Self-Sufficiency program by itself (FSS-only) did not improve employment and income outcomes. FSS combined with special work incentives (FSS+incentives) may have had a small impact on employment (but not on earnings) over the full follow-up period. However, FSS+incentives had significant impacts on both employment and earnings for those who were not working at the time of random assignment. An analysis of public benefits records, though, revealed that neither program reduced the receipt or amount of Housing Choice Voucher (HCV) Program subsidies from New York City's Department of Housing Preservation and Development (HPD), even for this subgroup.

This chapter presents an analysis of the impacts that the FSS-only and FSS+incentives programs had on poverty, material hardship, and financial well-being among HPD housing voucher recipients.[1] Although the programs failed to increase employment or earnings in general, they may still have made participants better off. FSS case managers encouraged participants to connect to mainstream banking and to open and maintain checking and savings accounts. Those in the FSS+incentives group could deposit their incentive payments (also called "reward payments" in this study) into newly opened accounts. Improved connection to mainstream banking can improve financial well-being because people who must rely on check cashers to access their pay can incur fees that, in New York State, can reach 2 percent of the check amount.[2] Such fees eat into already meager incomes and can leave households with little left over to deal with unexpected expenses like needed household repairs or medical bills. If participants opened, maintained, and regularly used checking accounts as a result of program participation instead of relying on check cashers, they could have potentially saved hundreds of dollars a year and therefore experienced reduced material hardship. FSS case managers can also provide referral to programs or services that help participants deal with financial difficulties like child care expenses, debt, or chronic health issues. Furthermore, while gains in employment and earnings for those in the FSS+incentives group who were not working at random assignment were apparently insufficient to reduce public benefits receipt for this subgroup on average, they may have been large enough to reduce material hardship and improve financial well-being. Finally, participants in both programs could earn escrow by increasing their income. Escrow could accrue even if income gains occurred as a result of adjustments related to the cost of liv-

[1]Material hardship captures specific instances of difficulty, including inability to pay rent or utilities. Financial well-being captures an individual's subjective assessment of his or her current status and capabilities.

[2]New York State Department of Financial Services (2015).

ing or inflation and increased job experience rather than program participation itself (that is, the gains that the control group experienced in the absence of any program). Though escrow balances are not available to program participants until they graduate from FSS, the expectation of this payout and the desire to ensure it may have altered behavior in ways that contributed to improved financial well-being (for example, by inspiring better budgeting and spending habits).

Program impacts are estimated using administrative records and survey responses. Measures of poverty, incidence of material hardship, and indicators of financial well-being derive from responses to a survey that was conducted with FSS study participants about 42 months after they enrolled in the program.

In brief, the findings indicate:

- The programs did not reduce pre-tax poverty for participants overall, whether or not they were working or receiving food stamps at random assignment. Given the overall lack of impacts on unemployment insurance (UI) earnings or public benefits receipt, this finding is consistent with expectations. Because the poverty measure is based on pre-tax income, it does not, however, include any gains from the Earned Income Tax Credit (EITC), which reduces the amount of tax owed by moderate- to low-income people and may result in a tax refund.

- The programs did not reduce the incidence of specific material hardships for participants overall or for subgroups defined by employment status and food stamp receipt at random assignment. The measures are, however, dichotomous (meaning that survey questions could only be answered "yes" or "no") and cannot speak to impacts on number of incidents of each type. Nevertheless, members of both FSS program groups were more likely to report that their financial situation had improved over the year before the survey.

- At the time of the survey, participants in both FSS program groups were more likely than control group members to report having any bank account; those in the FSS+incentives group were more likely to report that they had a checking account. Connecting this population to mainstream banking may have important implications for financial well-being.

- The FSS programs reduced the use of check cashers and increased the number of people reporting that they had any savings (not including escrow). This outcome may have contributed to gains in the subjective assessment of financial well-being noted above.

Analyzing Program Impacts

Program impacts are calculated as differences in post-random assignment outcomes between the research groups. As noted in the earlier chapters, effects of FSS-only and FSS+incentives are presented in the main text for the FSS core sample only, which excludes elderly and disabled individuals.[3] Effects for the full sample, which includes the core sample and disabled and elderly individuals, are presented in the supplement to this report.[4] Findings for the full sample are very similar to those presented in this chapter for the core sample.

The tables and figures that follow present outcome levels both for the survey sample and for subgroups within the survey sample, by employment status at random assignment. Differences across study groups that are statistically significant (indicated by asterisks in the tables) are considered program impacts, or, in other words, differences that are highly likely to have been caused by the program rather than by chance. The key focus of subgroup analysis is not on the impacts for a given subgroup, but whether the *differences in impacts across subgroups* are statistically significant (noted with daggers in the tables). As explained in the notes to the tables, the sample size for each subgroup is fairly small, meaning that differences between groups are less likely to be statistically significant. The limitation of small sample sizes should be kept in mind when interpreting the results.

Total Income and Poverty

Table 4.1 presents an analysis of program impacts on total income and poverty. These data are derived from responses to the 42-month follow-up survey. Total reported household income includes the respondent's earnings from employment, earnings of other household members whether or not they participated in the study, and public benefits. The federal poverty threshold is determined by household size. Typically, household poverty status is ascertained by comparing pre-tax household cash income alone with this threshold. In other words, federal poverty statistics do not include income from in-kind public benefits transfers like food stamps and HCV Program housing assistance, or from post-tax earnings derived from the EITC. Table 4.1 compares total pre-tax income (including in-kind benefits but not including EITC earnings, a post-tax benefit) with the federal poverty threshold to calculate the percentage of households below the poverty line.

[3]The core sample for the entire Work Rewards study also excluded a small number of individuals (less than 10) who were likely to be members of Brooklyn's Hasidic community, but most of that population is concentrated in the full sample for the incentives-only study. For analyses of the full sample, see Nuñez, Verma, and Yang (2015), available at www.mdrc.org, and Verma et al. (2012a, 2012b).

[4]Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

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Table 4.1

Impacts on Income and Poverty, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Average total household income in month prior to interview[a] ($)	1,139	1,174	1,080	59	0.328	94	0.121	34.7	0.564
Percentage of families with household income at or below the federal poverty level[b] (%)	77.9	73.6	76.5	1.4	0.655	-2.9	0.354	-4.3	0.168
Total household income in prior year as a percentage of the federal poverty level[b] (%)									
Less than 50%	32.1	33.9	34.5	-2.5	0.476	-0.7	0.846	1.8	0.603
50% - 100%	45.9	39.8	42.0	3.9	0.297	-2.2	0.550	-6.1 *	0.099
101% -129%	12.3	13.2	13.9	-1.6	0.519	-0.7	0.776	0.9	0.717
130% or more	9.8	13.2	9.6	0.2	0.916	3.6	0.115	3.4	0.139
Sample size (total = 1,152)	385	386	381						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

[a]Monthly household income amounts equal to or greater than $10,000 were excluded from this calculation. About 5.0 percent of the sample is excluded from the income measures because respondents refused to provide the information. An additional 0.4 percent of the sample was excluded because the income provided was over $10,000.

[b]Annual household income is calculated by multiplying by 12 an average of the respondent's income in the month prior to the 12-month survey interview. The federal poverty level was created based on annual income (monthly income multiplied by 12) and the household size at the time of the survey. The poverty threshold was measured according to the 2011 or 2012 Poverty Guidelines, depending on when a respondent was interviewed.

The table reveals the financial situation of the FSS study participants overall. The average total monthly household income in each group is around $1,100. In each of the three study groups, over 70 percent of households fall below the federal poverty level, even when public benefits are considered. And, about one-third of sample households have total incomes less than 50 percent of the federal poverty level.[5]

The programs produced no statistically significant impacts on average income or on the percentage of households in poverty for the program groups as a whole. The analysis presented in Chapter 3 revealed no overall impacts on participant UI earnings or on household-level public benefits receipt. Therefore, any gains in total household income or reductions in poverty would have to have originated in earnings gains not covered by UI records. Such income would also include participant earnings from informal employment or earnings gains for household members who are not participating in the study. Because employment not covered by UI records is typically of poor quality, and given the small number of study households with more than one adult, the lack of impacts on these outcomes is not surprising.

Subgroups

As discussed in Chapter 3, in the FSS+incentives group, those who were not working at random assignment gained in UI-covered employment and earnings. This increase might be reflected in gains in total reported household income. The gains were not sufficient to reduce public benefits receipt. The average gain in earnings compared with the control group's earnings over the full follow-up period (about $5,000) does not appear sufficient by itself to lift a household out of poverty, either. However, this subgroup may have experienced additional earnings gains from employment that was not covered by UI records.

Table 4.2 presents impact findings on total income and poverty by employment status at random assignment. The programs do not appear to have had any differential impacts on total income or on poverty according to work status at random assignment. It is somewhat puzzling that earnings gains for those who were not working at random assignment (as demonstrated in Chapter 3) are not reflected in total reported household income. However, the sample size for this analysis is small and may be insufficient to capture statistically significant impacts on this outcome. Given the size of the earnings impact (about $5,000) for those in the FSS+incentives group who were not working at random assignment over the follow-up period, it is not surprising that there are no observed impacts on the overall poverty rate during the survey period. However, impacts on relative poverty (that is, total income as a percentage of the federal poverty threshold) might have been expected.

[5]U.S. Department of Health and Human Services (2011, 2012).

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Table 4.2

Impacts on Income and Poverty, by Household-Level Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control			FSS+Incentives vs. Control		
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Sig.	Difference (Impact)	P-Value	Sig.
Head of household not working at random assignment									
Average total household income in month prior to interview[a] ($)	1,045	1,030	929	116	0.199		101	0.251	
Percentage of families with household income at or below the federal poverty level[b]	82.5	79.3	84.1	-1.6	0.696		-4.8	0.238	
Total household income in prior year as a percentage of the federal poverty level[b]									
Less than 50%	39.4	43.4	42.6	-3.2	0.551		0.8	0.877	
50% - 100%	43.1	35.9	41.5	1.6	0.767		-5.6	0.290	
101% -129%	9.8	11.1	9.6	0.2	0.951		1.5	0.649	
130% or more	7.7	9.6	6.3	1.4	0.623		3.3	0.242	
Sample size (total = 568)	178	203	187						
Head of household working at random assignment									
Average total household income in month prior to interview[a] ($)	1,240	1,323	1,227	13	0.873		96	0.252	
Percentage of families with household income at or below the federal poverty level[b]	72.9	68.3	69.1	3.8	0.426		-0.8	0.874	
Total household income in prior year as a percentage of the federal poverty level[b]									
Less than 50%	24.4	24.5	27.4	-3.1	0.500		-2.9	0.530	
50% - 100%	48.5	43.8	41.7	6.9	0.196		2.2	0.691	
101% -129%	15.0	15.1	17.6	-2.6	0.500		-2.5	0.533	
130% or more	12.1	16.5	13.3	-1.2	0.747		3.3	0.380	
Sample size (total = 575)	204	181	190						

(continued)

Table 4.2 (continued)

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

[a]Monthly household income amounts equal to or greater than $10,000 were excluded from this calculation. About 5.0 percent of the sample is excluded from the income measures because respondents refused to provide the information. An additional 0.4 percent of the sample was excluded because the income provided was over $10,000.

[b]Annual household income is calculated by multiplying by 12 an average of the respondent's income in the month prior to the 12-month survey interview. The federal poverty level was created based on annual income (monthly income multiplied by 12) and the household size at the time of the survey. The poverty threshold was measured according to the 2011 or 2012 Poverty Guidelines, depending on when a respondent was interviewed.

MDRC conducted a similar analysis of impacts on total income and poverty by food stamp status at random assignment.[6] Impacts on subgroups do not differ according to food stamp receipt at random assignment. Results from this analysis can be found in Appendix Table F.13 in the supplement to this report.[7]

Summary

Overall, the programs did not increase income or reduce poverty. This finding is consistent with the findings in Chapter 3. The gains in earnings for those in the FSS+incentives group who were not working at random assignment did not translate into a lower poverty rate. It is possible that these gains led to changes in the distribution of relative poverty, but the subgroup sample is too small to examine this possibility with statistical precision.

[6]Food stamp subgroup makeup is determined using administrative records. See Chapter 3 for a more detailed discussion.

[7]Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

Material Hardship and Financial Well-Being

Although the programs did not increase income or reduce poverty overall, they may have made participants better off by reducing costs associated with, for example, debts and check-cashing fees. As noted earlier, for example, the increase in the number of participants with checking accounts may have led to a decreased reliance on check cashers and, therefore, may have reduced fees incurred. FSS case managers provided referrals to participants who were struggling to repay debt, to find affordable child care, and to deal with chronic health conditions. Each of these expenses can devour a significant portion of a working class household's income.

Table 4.3 presents impact findings for measures of material hardship and financial strain based on responses to the 42-month survey. The top of the table includes measures of the incidence of common material hardships over the 12-month period preceding the survey, including failure to pay rent and utility disconnection. The bottom includes survey respondents' self-assessments of their financial well-being.

Neither program reduced the incidence of material hardship. However, these measures capture whether the respondent ever experienced specific hardships during the 12 months prior to the survey. The data cannot speak to whether the programs reduced the number of times each hardship was experienced.

Though the programs did not reduce the incidence of specific material hardships, both FSS-only and FSS+incentives appeared to have improved subjective assessments of financial well-being. While 32.2 percent of the control group agreed that their financial situation was better than in the previous year, 40.8 percent of the FSS-only group (8.6 percentage points more than the control group) and 43.3 percent of the FSS+incentives group (11.2 percentage points more than the control group) are statistically significantly larger. The difference between the FSS-only and FSS+incentives values is not significant, suggesting that the programs were equally effective at raising this measure. The gains in subjective assessment of financial well-being may result from several factors. As noted, while the programs did not reduce the overall incidence (one or more incidents) of specific material hardships, the data cannot speak to a reduction in the number of such incidents. It is possible that program group members experienced fewer occasions when they were unable to pay rent or had utilities shut off, for example, even if such events were not eliminated altogether. Findings on savings, use of check cashers, and accumulation of escrow are reported below. Gains in each of these areas may have contributed to respondents' perceptions that their financial situations were improving even if they were still quite poor.

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Table 4.3

Impacts on Material Hardship and Financial Strain, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Material hardship									
Any hardship in the past 12 months (%)	62.6	61.6	63.4	-0.8	0.832	-1.8	0.608	-1.1	0.763
Did not pay full rent or mortgage	41.8	40.5	42.7	-0.9	0.802	-2.2	0.540	-1.3	0.716
Evicted from home for not paying rent or mortgage	4.0	3.9	4.4	-0.3	0.831	-0.5	0.734	-0.2	0.899
Did not pay full utility bill[a]	40.3	36.9	38.4	1.9	0.591	-1.5	0.671	-3.4	0.335
Utility was turned off[a]	11.0	11.2	12.4	-1.4	0.550	-1.2	0.604	0.2	0.937
Phone service was disconnected[b]	26.3	25.1	27.9	-1.6	0.609	-2.9	0.367	-1.3	0.695
Family finances usually work out to have the following at end of month (%)									
Some money left over	6.8	5.5	6.9	0.0	0.989	-1.4	0.445	-1.3	0.452
Just enough to make ends meet	42.1	43.6	41.5	0.6	0.874	2.1	0.557	1.6	0.667
Not enough to make ends meet	51.1	50.9	51.7	-0.6	0.881	-0.8	0.835	-0.2	0.953
Ever borrow cash from family or friends (%)	60.2	57.3	52.1	8.0 **	0.025	5.1	0.154	-2.9	0.414
Ever sell personal belongings at a pawnshop (%)	16.8	16.8	20.8	-4.0	0.159	-4.0	0.158	0.0	0.999
Children skipped meal in prior month (%)	8.9	5.8	8.9	0.0	0.996	-3.1	0.229	-3.1	0.222
Food security (1 = low; 4 = high)[c]	3.0	3.1	3.0	0.0	0.863	0.1	0.458	0.1	0.358
Insufficient food[d] (%)	30.9	27.4	31.7	-0.8	0.810	-4.3	0.199	-3.5	0.294

(continued)

Table 4.3 (continued)

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value
Financial well-being									
Financial well-being score[e] (4 = low; 16 = high)	8.3	8.4	8.3	0.0	0.898	0.1	0.651	0.1	0.560
Strongly or somewhat agree with the following (%)									
Financial situation is better than last year	40.8	43.3	32.2	8.6 **	0.017	11.2 ***	0.002	2.5	0.484
Don't worry about having enough money in future	16.0	16.7	18.1	-2.1	0.444	-1.4	0.613	0.7	0.795
Can generally afford to buy needed things	55.7	64.9	58.7	-2.9	0.418	6.2 *	0.086	9.2 **	0.011
Sometimes have enough money to buy something or go somewhere just for fun	28.2	24.0	30.4	-2.2	0.494	-6.4 **	0.045	-4.2	0.184
Sample size (total = 1,152)	385	386	381						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

[a]Utilities include gas, oil, and electricity.

[b]Phone service includes cellular or land service.

[c]The food security question describes food eaten by the family in the prior month: 1= Often not enough to eat; 2 = Sometimes not enough to eat; 3 = Enough to eat but not always the kinds of food desired; 4 = Enough to eat of the kinds of food desired.

(continued)

Table 4.3 (continued)

[d]Insufficient food is defined as "sometimes" or "often times" not having enough food to eat.

[e]Components of the financial well-being scale have been coded such that a lower score implies being worse off and a higher score implies being better off. The scale is calculated by summing responses to the four component questions. Thus, the financial well-being scale presented here ranges from 4 to 16 points. The scale's components include the five material hardship measures on the table, plus a measure of inability to afford a doctor visit in the past year and a measure of inability to afford a dental visit in the past year.

Respondents in the FSS+incentives program group were also more likely to agree that they could generally afford to buy necessities and less likely to agree that they sometimes had enough money to buy something or go somewhere "just for fun." Together these two impacts suggest that FSS+incentives program group members shifted spending priorities as a result of program participation, though it is not clear why this is the case.

Subgroups

Analysis of impacts on material hardship and financial strain by employment and food stamp receipt at random assignment revealed no subgroup differential impacts (results not shown). This finding is somewhat surprising given the gains experienced by subgroups within each program.

Summary

Overall, the programs did not reduce the likelihood of having ever experienced specific material hardships but did improve subjective assessments of well-being. The following section focuses on impacts on banking and savings, and analyzes escrow outcomes. Gains in those areas may help explain the improvement in self-assessments of well-being.

Banking, Savings, and Debt

Although there is little evidence that the FSS-only and FSS+incentives programs in the Work Rewards demonstration reduced the incidence of material hardship, participants in both programs were more likely to report that their financial situation had improved over the previous year compared with the control group. This section describes the two programs' impacts on banking and savings outcomes.

Self-sufficiency can be achieved through a combination of increased earnings and decreased costs (for example, decreased debt, check-cashing fees, and so forth). The FSS program encourages clients to improve their credit, connect to mainstream banking, receive financial literacy training, and build savings. Working-class households typically lack access to mainstream

banking and credit services and rely on a variety of expensive alternatives. For example, those without a bank account may require the use of a check casher to gain access to their salary. The fees for this service can add up to hundreds of dollars yearly and exacerbate financial hardship. Participants may not be aware of low-cost banking options that are available to them, such as those provided by a nonprofit credit union. Therefore, service referral in this domain from FSS case managers could lead to reduced costs and greater self-sufficiency even in the absence of earnings gains. The FSS program may have also helped participants reduce debt and improve budgeting techniques, which could lead to increased savings and diminished anxiety about finances. And, escrow gains, though not immediately available, could improve participants' sense of well-being and encourage them to take steps to improve their finances and thus their chances of graduating from the FSS program.

Table 4.4 presents impact findings on banking, savings, and debt outcomes. This analysis uses data from the 42-month survey. The top of the table includes measures of participants' bank accounts and a variety of financial transactions or behaviors considered detrimental to financial health. These behaviors include using check cashers, taking out payday loans, or bouncing checks (deliberately or otherwise).[8] The bottom portion of the table presents measures of household savings and debt.

The table shows that both FSS programs led to an increase in the number of people who had a bank account as of the time of the 42-month survey. Among the two FSS program groups, 51.6 percent of the FSS-only group and 56.0 percent of the FSS+incentives group had any bank account compared with 42.9 percent in the control group (a statistically significant difference of 8.7 percentage points and 13.1 percentage points, respectively). Those in the FSS+incentives group were also more likely to have a checking account in particular (50.7 percent versus 38.2 percent in the control group, a difference of 12.4 percentage points) because they received cash rewards.[9] It appears, therefore, that program participation led to sustained gains in the use of mainstream banking.

Fewer respondents in either program group than in the control group reported cashing checks at check-cashing establishments at least once a month; while 38 percent of control group respondents reported this behavior, only 28.7 percent in each program group did (a statistically significant difference of 9.2 to 9.3 percentage points). The difference between program group outcomes (0.1 percentage points) is not statistically significant, suggesting that both programs were equally effective in reducing reliance on check cashers. Efforts to connect participants to

[8]Payday loans are loans from a check-cashing outlet or other lending institution that must be repaid by the next payday; they are illegal in New York State.

[9]Rounding causes slight discrepancies in calculating sums and differences.

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Table 4.4

Impacts on Financial Services, Savings, and Debt, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Use of banking/financial services (%)									
Currently has bank account	51.6	56.0	42.9	8.7 **	0.012	13.1 ***	0.000	4.4	0.206
Currently has checking account	43.5	50.7	38.2	5.3	0.123	12.4 ***	0.000	7.1 **	0.038
Had a bank account closed last year	11.0	17.7	13.1	-2.0	0.428	4.6 *	0.070	6.6 ***	0.009
Currently has credit card	26.2	27.9	23.3	2.9	0.342	4.6	0.130	1.7	0.570
Use of financial services (%)									
Financial transactions at least once a month									
Use check-cashing services	51.0	52.4	59.1	-8.1 **	0.026	-6.8 *	0.065	1.4	0.704
Cash check at check casher	28.7	28.7	38.0	-9.3 ***	0.007	-9.2 ***	0.007	0.1	0.986
Pay bill at check casher	39.4	38.0	44.0	-4.7	0.195	-6.0 *	0.094	-1.3	0.707
Use ATM card to access cash	56.5	57.3	52.2	4.3	0.232	5.1	0.157	0.8	0.821
Take cash advance on credit card	3.3	5.7	4.3	-1.0	0.526	1.5	0.341	2.4	0.112
Bounce check or overdraw checking account	8.4	9.4	6.8	1.6	0.427	2.6	0.205	1.0	0.635
Get payday loan	0.6	1.0	0.8	-0.2	0.796	0.2	0.713	0.4	0.530
Family savings and debt									
Has any savings (%)	16.0	19.1	11.8	4.2	0.110	7.3 ***	0.006	3.1	0.243
Average savings ($)	114	198	181	-67	0.314	17	0.799	84	0.206
$0 (%)	84.8	81.6	89.6	-4.9 *	0.062	-8.0 ***	0.002	-3.2	0.223
$1 - $250 (%)	6.1	7.5	3.4	2.7	0.111	4.1 **	0.017	1.4	0.419
$251 - $500 (%)	3.2	3.5	1.9	1.3	0.299	1.6	0.202	0.3	0.810
More than $500 (%)	5.9	7.4	5.1	0.9	0.621	2.4	0.182	1.5	0.398

(continued)

Table 4.4 (continued)

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Currently saving (%)									
To buy a house	15.5	19.2	16.8	-1.2	0.877	2.4	0.746	3.7	0.601
To pay for school or college (for self or children)	43.5	23.1	30.5	13.0	0.150	-7.3	0.392	-20.3 **	0.012
To buy a car	18.7	15.7	4.8	13.9 **	0.046	11.0 *	0.097	-2.9	0.632
For retirement	34.8	26.1	28.6	6.2	0.493	-2.5	0.775	-8.7	0.280
To cover emergencies	62.4	64.6	74.4	-12.0	0.199	-9.8	0.270	2.2	0.789
To send to family or relatives	21.6	14.5	23.0	-1.4	0.861	-8.5	0.266	-7.1	0.319
To move out of Section 8 or other subsidized housing	19.6	32.1	27.8	-8.3	0.335	4.3	0.602	12.5 *	0.100
For something else	6.1	9.8	9.3	-3.2	0.595	0.5	0.931	3.7	0.489
Currently not making payments on a loan or bill (%)	25.4	24.5	24.6	0.8	0.797	-0.1	0.966	-0.9	0.764
Sample size (total = 1,152)	385	386	381						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

mainstream banking services appear to have paid off in this regard. The programs did not reduce the use of payday lenders but very few (less than 1 percent) in any study group took out such loans. There is a slight increase in bounced checks in the program groups versus the control group, though the differences are not statistically significant. Since a check cannot bounce without a checking account and both programs were successful in increasing the number of participants with checking accounts, there was the danger that these efforts could make participants worse off by exposing them to a new risk. It does not appear that this occurred.

There is also some evidence that both programs increased savings. Among those in the FSS+incentives group, 19.1 percent reported having "any savings," versus 11.8 percent in the control group, a statistically significant difference of 7.3 percentage points; among those in the FSS-only group, 16.0 percent reported having any savings, though the 4.2 percentage point difference over the control group is not statistically significant.[10] The difference between the two program group values is not itself statistically significant, suggesting that the programs were equally effective in raising this measure. This gain in savings did not translate into a reduction in debt or a change in the composition of debt (for example, car loans, student loans, or medical bills).

Subgroups

Analysis of these outcomes by employment and food stamp receipt at random assignment revealed no subgroup differential impacts. Results for the employment subgroups can be found in Appendix Table D.1. Appendix Table F.12 presents results for the food stamp subgroups.[11]

Summary

Overall, the programs increased savings, though this increase did not translate into reduced debt. The programs also reduced reliance on check cashers, which could save participants a significant amount in fees. These gains, along with gains in escrow (as discussed in Chapter 2), may have contributed to program participants' increased sense that their financial situation had improved even if it was still quite poor.

[10]Respondents were explicitly instructed not to include escrow balances as savings for the purpose of this survey question.

[11]Appendix F is in the supplement to this report (Nuñez, Verma, and Yang, 2015), available at www.mdrc.org.

Discussion

Gains in employment and earnings for FSS participants who were not working at random assignment, discussed in the previous chapter, did not translate into increased monthly income. It is possible there were counterbalancing losses in the receipt of public benefits other than food stamps, Temporary Assistance for Needy Families, and HCV Program housing assistance, which are not covered by available administrative records. Not surprisingly, given the lack of change in monthly income or poverty, the programs produced no impacts on having ever experienced specific material hardships. However, participants in both programs were more likely to describe their financial situation as having improved in the previous year. This self-perception may be driven by the programs' success in reducing the number of instances of material hardship, but the data cannot speak to this possibility. It may also be the result of gains in savings and reduced use of check cashers.

Respondents in both program groups reported using check cashers less frequently. This finding is likely linked to the effort to get participants to open bank accounts. While this behavior alone does not increase monthly income, it does free up money that otherwise would have to be spent on check-cashing fees. It is relatively inexpensive to bundle the sort of counseling and service referral that led to this outcome with other services. If a program that is designed for working-class families requires participants to meet with a case manager at some point, it may therefore be worthwhile to use that opportunity to provide financial counseling.

The next chapter examines impacts of the "incentives-only" program that was administered to recipients of Housing Choice Vouchers served by the New York City Housing Authority. The analysis speaks to the effect that special cash work incentives can have when not accompanied by case management services and asset-building tools (in the form of the escrow account) like those provided by FSS.

Chapter 5

The Incentives-Only Program: Recruitment, Rewards Receipt, and Impacts

In addition to testing the effectiveness of the Family Self-Sufficiency (FSS) program with and without special work incentives (FSS+incentives and FSS-only, respectively), the Work Rewards demonstration tests whether work incentives alone (incentives-only) can improve employment, earnings, income, and housing outcomes for New York City Housing Authority (NYCHA) Housing Choice Voucher (HCV) holders. This chapter discusses the incentives-only test, which offers cash incentives for work to NYCHA voucher holders without the accompanying case management, asset building, and supportive services that are provided through the FSS program.

With the incentives-only model, the demonstration can test whether the work incentives alone — independent of the Section 8 rent rules and housing authority oversight — are sufficient to increase employment and earnings.[1] The level of cash rewards used in this intervention was the same as the level used in the FSS program with HPD voucher holders described in Chapters 2 through 4. The cash incentives were offered to individuals in the program group for a two-year period. Individuals in the control group were not offered the cash incentives. Since the incentives-only intervention involved minimal case management and low administrative burden, it was expected to be a relatively inexpensive and easy way to improve employment and material hardship outcomes, if effective.

MDRC's 2012 report on the Work Rewards intervention, which described the implementation of the program and participants' responses to the incentives offer, covered 18 months of participation data and administrative records data from the New York City Human Resources Administration (HRA).[2] It also covered 30 months of unemployment insurance (UI) system data from the time of random assignment. The early findings that were presented in the 2012 report suggested that the incentives-only program encouraged individuals who were already working to increase their hours, since it had a positive effect on average earnings but no effect on employment rates. The program also produced a large increase in earnings for individuals who were receiving food stamps (now called Supplemental Nutrition Assistance Program, or SNAP, benefits) at the time of random assignment.[3]

[1]"Section 8" refers to Section 8 of the Housing Act of 1937, through which the HCV Program was established.

[2]Verma et al. (2012a).

[3]Verma et al. (2012a).

This chapter summarizes the incentives-only program model, discusses program participation through the two-year period in which individuals were eligible to earn incentive payments, and looks at impacts on employment, earnings, benefits receipt, and household income for individuals for four years after the time of random assignment. The chapter also looks at impacts on housing subsidies for 3.5 years after the time of random assignment. In brief, the findings indicate that:

- About half of the individuals in the incentives-only program group earned a cash reward during their time in the program, and most of these adults earned the rewards for full-time work, not for education and training.
- The incentives-only program did not produce statistically significant impacts on employment or earnings over four years of follow-up. It no longer had an effect on average earnings four years after random assignment, as it did at the 30-month point. It did, however, increase household income (which includes earnings, public benefit amounts, and the program's incentive payments) in Years 1 and 2, during which time households in the program group could earn cash rewards.

The Incentives-Only Program Model

As explained in Chapter 1, the work incentives had two main components:

- **A cash reward for sustained, full-time employment.** In order to receive this payment, the participant had to be employed for an average of 30 hours per week for six out of every eight weeks (that is, about 75 percent of the weeks in each of the program's two-month "activity periods").[4] Full compliance with this condition earned a participant a $300 cash reward per activity period — up to $1,800 per year.
- **A cash reward for successfully completing approved education or training courses.** Originally, the education and training incentive required the par-

[4]The program rewarded full-time work rather than part-time work because full-time work is more likely to come with higher wages and benefits. In addition, the program designers were concerned that rewarding part-time work might encourage some participants to reduce their work hours. Defining full-time work as 30 hours per week, rather than 40 hours, is consistent with the definition established by the Organization for Economic Cooperation and Development (www.oecd.org). The requirement to work full time during 75 percent of the activity period, rather than 100 percent, recognized that for many low-wage workers, job turnover is common, sometimes because the job itself ends, and allowed some time for the worker to find another job. Those who were in this situation or who left work for other reasons would have a strong incentive to seek another full-time job quickly, in order to continue to be able to earn the cash reward.

ticipant to work at least 10 hours per week while attending an approved training course of at least 35 hours, which also had to be completed successfully. Given the poor state of the economy during the demonstration, the work requirement was eliminated for the second year of the program. Full compliance with this condition could earn a participant $300, $400, or $600 for a course, depending on its length, up to a total of $3,000 for the duration of the program.

These incentives were available to participants for two years. To claim their cash rewards, participants submitted specially prepared coupons and provided documentation as proof of employment or completion of a training program for each of 12 two-month-long activity periods, and were paid in the month following their coupon submissions. Seedco, the workforce intermediary described in Chapter 1, oversaw the management and customer service — provided by the participating community-based organizations (CBOs) — of the incentives-only program.[5]

The Incentives-Only Sample

Recruitment for the incentives-only study sample was carried out by four CBOs located in the boroughs of the Bronx, Brooklyn, and Manhattan. NYCHA provided contact information for about 18,500 voucher holders who met the household income eligibility criteria of 130 percent of the federal poverty level, from which the 2,000 households for the study were to be recruited. The goal was to recruit 2,000 households by June 2008. The CBOs used telephone calls, mailings, and home visits to disseminate information about the study. Enrollment for the incentives-only sample was eventually extended for an additional four months in order to reach the sample goal.

The NYCHA voucher holders were only eligible for the incentives-only program, which included two randomly selected groups: the incentives-only group (or "program group") and a control group. The incentives-only group was eligible for monetary incentive payments, also called "reward payments," for working full time or completing an approved education or training program. The control group was eligible for services that were available in the community but was not eligible for the incentive payments offer. Recruitment efforts were mainly challenged by voucher holders' skepticism about the program's offer, in addition to obsolete contact information and concern about participating in a program that was sponsored by the housing authority. Ultimately, the sample for the incentives-only study exceeded the target, reaching a total of 2,023 households.

[5]Verma et al. (2012a) provides a more detailed description of the coupon submission and payment system.

As with the FSS study, the analyses presented here focus on the experiences of the "core sample" (which excludes the elderly and disabled) enrolled in the FSS and incentives-only interventions. Baseline data collected at the time of program enrollment revealed that approximately one-third of the NYCHA adults who enrolled in the incentives-only intervention belonged to the Hasidic community. Their representation in the incentives-only sample is highly disproportionate to the group's representation among voucher holders in New York City and nationally. For a variety of reasons, it was expected that the experiences and engagement of the Hasidim, and their responses to the program's incentives, would be less relevant for drawing inferences about the effects of Work Rewards on the labor market outcomes of more typical housing voucher holders in New York City and across the country.[6] New York City's Center for Economic Opportunity (CEO) and MDRC thus concluded that the evaluation would be most informative if it focused separately on the Hasidic and non-Hasidic samples.[7] The final Work Rewards report will provide an updated analysis of the program's effects on the Hasidic sample.

Appendix Tables E.1 and E.2 show the characteristics of the core sample households and adults enrolled in the incentives-only study. The core sample includes 1,318 adults from 1,160 households with NYCHA vouchers. The households are generally one-adult households with an average of one to two children. The adults in the sample are mostly female (84 percent), with an average age of 38. At the time of the study, most enrollees were the head of household (82 percent) or the child or parent of the head of household (16 percent). Overall, 59 percent of sample members identified as Hispanic/Latino and 35 percent as black, non-Hispanic/Latino. More than half (54 percent) of the incentives-only study core sample members were employed at the time of enrollment, and 37 percent were working full time.

Operational Experiences of the Incentives-Only Study

In contrast to the FSS program, the incentives-only program was implemented with fairly consistent parameters throughout its two years of operation, with the exception of two changes to the requirements for earning the incentive payments in Year 2. First, participants could earn the full-time work incentive payment by working an *average* of 30 hours a week throughout the eight-week activity period, rather than a *minimum* of 30 hours for six of the eight weeks, making the distribution of work across the activity period more flexible. Second, as in the FSS study, participants no longer had to work part time to earn the education and training reward, making it easier for them to earn rewards for completing a training program during a tough economic period.

[6]See Verma et al. (2012a, 2012b) for additional analyses of the experiences of the Hasidic sample.

[7]The study team is continuing to collect data on all sample members enrolled in the FSS and incentives-only studies, including the elderly, disabled, and Hasidic participants. Supplementary analyses documenting the impact results for the "full sample," including the elderly, disabled, and Hasidic participants, are presented in Supplementary Appendix Tables G.6, G.7, and G.8 at www.mdrc.org (Nuñez, Verma, and Yang, 2015).

Receipt of Incentive Payments

This section uses Seedco's earnings and payments databases to present participant activity in the incentives-only program. Seedco maintained information about whether program group adults submitted coupons for full-time work or for education and training, met the requirements for earning these rewards, and received payments in their bank accounts. The 2012 report presented rewards receipt data for all program group members through 18 months after random assignment.[8] At that point, 47 percent of all incentives-only program group members had earned at least one reward — 45 percent for full-time work and 5 percent for education and training.[9]

Table 5.1 shows the rewards receipt rate and dollar amounts for the program group over the full period for which individuals were eligible to earn reward payments. Individuals could earn rewards every two months for two years.[10] At the end of the two-year incentives period, the participation rates were not much higher than they had been at the 18-month point. Only about half of the eligible individuals earned any reward payment: 49 percent earned at least one payment for full-time work, and 6 percent earned at least one payment for completing education and training programs. The adults who earned any number of incentive payments averaged $2,213 in earnings — about 60 percent of the $3,600 that an individual could potentially earn from working full time in every activity period. The negligible increases in coupon submission and rewards earning rates suggest that work and training activities among individuals did not change in the second year of the incentives-only program, despite changes to the program rules that made it easier for individuals to qualify for the rewards.

Receipt of Incentive Payments, by Employment Status

Incentive payment receipt across different subgroups of the study can suggest ways in which the program might be engaging individuals in finding employment or enrolling in training programs. For example, individuals who were not employed when they enrolled in the study may earn fewer incentive payments than those who were already employed, since they had to spend time to find jobs, while working adults could immediately begin to earn payments for full-time work. The incentive payments could either be "windfall" — that is, be transferred to working

[8]Verma et al. (2012a). For most of the sample, this time period covered less than a year's worth of incentive payments, since random assignment began in January 2008, but individuals could not start earning incentives until July 2008. Individuals who were randomly assigned before July 2008 were eligible to earn rewards between July 2008 and June 2010. Individuals who were randomly assigned after July 2008 were eligible to earn rewards beginning in their enrollment month and for two years after they entered the study.

[9]Verma et al. (2012a).

[10]Because of the time lag between random assignment and the beginning of the two-year incentives period, as well as the grace period that individuals are given after each activity period to resubmit coupons that are rejected or to correct any information, some participants remained in the program for 39 months after study entry.

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Table 5.1

Rewards Receipt in the Incentives-Only Study, Core Sample

Outcome	Incentives-Only
Ever earned a reward (%)	50.9
Average total amount earned[a] ($)	2,213
Ever earned a reward for full-time work (%)	48.6
Average total amount earned for full-time work[b] ($)	2,094
Ever earned a reward for education and training (%)	6.0
Average total amount earned for education and training[c] ($)	1,818
Sample size	652

SOURCE: MDRC calculations using Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

Sample size refers to the number of adults in the program group.

[a]Calculations are based on individuals who earned at least one reward in any category.

[b]Calculations are based on individuals who earned at least one full-time work reward.

[c]Calculations are based on individuals who earned at least one education and training reward.

individuals but not change their behavior — or could sustain work effort that they might otherwise reduce. Recent studies of welfare-to-work programs that offered work-related incentives have targeted unemployed or underemployed individuals and have seen limited windfall.[11] In Work Rewards, the incentives offer does not target by employment status and may produce more windfall for the steadily employed.

Table 5.2 shows the pattern of reward receipt for subgroups defined by employment status at random assignment. Since the cash incentives rewarded full-time and not part-time work, data on incentive payments based on employment status were examined across full-time employment, part-time employment, and unemployment at the time of random assignment. It is not surprising that those who were employed full time at the time of random assignment were most likely to earn rewards from the program — 82 percent of full-time workers earned any reward over two years. Those who were employed part time at random assignment were much less likely to do so (44 percent), and those who were not working were the least likely to do so (28 percent).

[11]Michalopoulos et al. (2002); Martinson and Hendra (2006).

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Table 5.2

Rewards Receipt in the Incentives-Only Study, by Employment Status at Random Assignment, Core Sample

Outcome	Employment Status at the Time of Random Assignment		
	Working Full Time	Working Part Time	Not Working
Ever earned a reward (%)	81.7	43.9	28.1
Ever earned a reward for full-time work (%)	80.5	42.1	24.7
Ever earned a reward for education and training (%)	6.1	8.4	5.1
Average total amount earned[a] ($)	2,451	2,366	1,566
Sample size (total = 648)	246	107	295

SOURCE: MDRC calculations from Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

Sample size refers to the number of adults in the program group.

[a]Calculation is based on individuals who earned at least one reward in any category.

The table also indicates that about one-fourth of individuals who were not working at the time of random assignment found full-time work for at least two months (that is, the duration of one activity period). Among those who earned any rewards, those who were not working at the time of random assignment earned an average of $1,566 — equivalent to about 10 months of incentive payments for full-time work, since participants could earn $300 every two months for full-time work.

Impacts on Employment, Earnings, Benefits Receipt, and Housing Subsidies

Offering work and training incentives to housing voucher holders should increase employment rates and earnings by increasing the payoff to work. On the other hand, increases in employment and earnings may lead to losses in benefits or earning out of the housing subsidy. The individuals in the incentives-only sample also did not have an escrow account, like those in the FSS program, that could serve to balance out these potential losses, so employment and earn-

ings could decline. This section presents impacts on employment, earnings, receipt of Temporary Assistance for Needy Families (TANF) or Safety Net Assistance (SNA),[12] and food stamp receipt through four years after random assignment.[13] In addition, it examines how the incentives-only program affected household income as a whole by combining earned income and public benefits receipt with the program's incentive payments. Finally, this section describes impacts on Section 8 housing subsidy receipt through 3.5 years after random assignment.

Effects for subgroups defined by work status at the time of random assignment are also examined.[14] The program might affect some subgroups of the sample differently from others. First, although the incentives might encourage individuals to remain employed and may lead to job advancement, the program's effects on employment are likely to be larger for individuals who were not working at study entry, since there is more room for improvement among that group and since the goal of the program is to move people into work and help them stay in work.[15]

Impacts of the incentives-only program are calculated as differences in outcomes between the program and control groups. The tables in this section present outcome levels for the program and control groups and differences between them. A difference that is statistically significant (indicated by asterisks in the tables) is considered a program impact — in other words, a difference that is likely caused by the program rather than arising by chance. In the subgroup tables, daggers indicate that a difference in the impacts between subgroups — not a difference in average outcome levels between the program and control groups — is statistically significant.

Data Sources and Follow-Up Period

Program impacts on employment and earnings are estimated using earnings records from the New York State unemployment insurance (UI) system. The UI data, available for every adult in the study, provide quarterly earnings for the majority of workers in the state. Although the UI

[12]The SNA program provides assistance to individuals and families in New York State who do not qualify for the time-limited federal TANF program.

[13]The Food Stamp Program is now called the Supplemental Nutrition Assistance Program (SNAP).

[14]Effects of the FSS program for these subgroups are examined in Chapters 3 and 4. As noted there, these subgroups were selected before the impact analysis began.

[15]The study also looked at subgroups defined by food stamp receipt at the time of random assignment. Effects may differ for individuals receiving food stamps compared with those who are not, if some food stamp recipients are discouraged from working or from working full time because benefits are reduced as earnings increase. Additionally, receiving food stamps along with a housing voucher may create a "double disincentive" to work among individuals who are worried about earning too much to qualify for their voucher. The cash incentives for work might help to offset this disincentive, especially since the incentive payments are not considered "household income" for the purposes of determining public benefit amounts. The program produced no statistically significant differences in impacts across the two subgroups. These findings are presented in the supplementary appendixes to this report, in Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

records cover earnings from most jobs in a given state, they do not cover earnings from self-employment, jobs with the federal government or the military, informal jobs, and out-of-state jobs. Data on monthly receipt of TANF/SNA and food stamp benefits were obtained from the New York City Human Resources Administration (HRA). Impacts on benefits receipt are estimated at the household level. Finally, data on household-level HCV subsidies were obtained from NYCHA. UI, TANF/SNA, and food stamp data cover all sample members from one year before they enrolled in the study until four years after the time of random assignment. NYCHA data cover all sample members from one year before they enrolled in the study until three and a half years after the time of random assignment.

Most individuals enrolled in the incentives-only study between March and August of 2008, although random assignment occurred from January 2008 through January 2009. UI, TANF/SNA, and food stamp records are available through October 2013, and housing records are available through June 2012.

Employment and Earnings

Figure 5.1 presents effects on quarterly earnings from UI-covered employment. Quarter 1 is the quarter of random assignment, and Quarters 2 through 17 include the follow-up period. The control group, represented by the dashed line, had average earnings of $1,647 in Quarter 1. By Quarter 17, average quarterly earnings for the control group had increased to $1,946. The overall program led to positive effects on earnings early in the program (in Quarter 2, the program group earned $212 more than the control group) and diminished after Quarter 3, although statistically significant differences emerge in Quarters 6, 10, and 14.

Table 5.3 presents summary impacts on quarterly employment, which is a good indicator for the average percentage of time adults were employed, and earnings during the four years after the time of random assignment. The control group was employed, on average, for 48 percent of the quarters in the first year of the program, and in Year 4 the quarterly employment rate for the control group declined slightly to 46 percent. The program had no statistically significant effects on employment rates for any of the four program years or for the full four-year period. The program did have a statistically significant impact on earnings in the first year, with a $535 increase, but it did not produce statistically significant earnings increases in the following three years or for the full period.

As described earlier, the incentives-only program may have affected different subgroups of the sample differently. Consistent with the 2012 findings and as shown in Appendix Table E.3 of the current report, program effects were not different between subgroups defined

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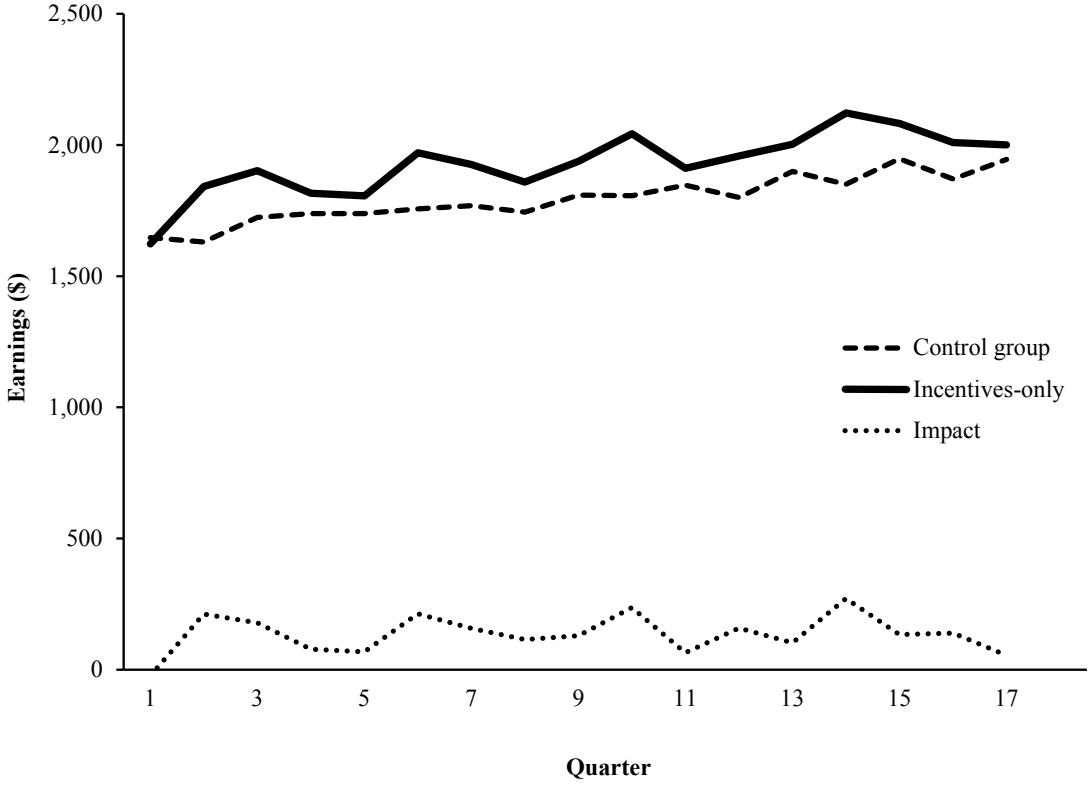
Figure 5.1

Impacts on Quarterly Earnings, Incentives-Only Study, Core Sample



SOURCE: MDRC calculations from New York State unemployment insurance (UI) wage records.

NOTES: Quarter 1 refers to the quarter of random assignment.

The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for nonworking sample members.

This figure includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

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Table 5.3

Four-Year Impacts on Quarterly Employment and Earnings, Incentives-Only Study, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
Quarterly employment rate (%)				
Year 1	49.4	48.2	1.2	0.480
Year 2	46.5	45.7	0.8	0.691
Year 3	46.5	44.8	1.7	0.410
Year 4	44.4	46.0	-1.6	0.466
Full period	46.7	46.2	0.5	0.746
Total earnings ($)				
Year 1	7,367	6,832	535 *	0.085
Year 2	7,692	7,078	614	0.167
Year 3	7,915	7,354	561	0.264
Year 4	8,214	7,614	599	0.265
Full period	31,188	28,878	2,310	0.133
Sample size (total = 1,318)	652	666		

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

by individuals' work status at random assignment. For food stamp recipients, the 2012 report showed that the program increased total earnings.[16] As described earlier in Chapter 3, however, the current report relies on administrative data provided by HRA rather than self-reports at the time of random assignment to determine food stamp receipt, since self-reports on public bene-

[16]Verma et al. (2012a).

fits are prone to underreporting.[17] When impacts were calculated for the subgroups defined by food stamp receipt using administrative records, the impacts on earnings found in the 2012 report were no longer statistically significant.[18]

Benefits Receipt

Since eligibility for public assistance is determined by the amount of income one earns, receipt of public benefits should either rise when earnings drop or decline when earnings rise. Table 5.4 presents impacts on quarterly benefits receipt and yearly benefit amounts. The sample's receipt of public benefits had dropped very slightly over time. In the first year of the program, 29 percent of the control group received TANF/SNA each quarter, and by the last quarter of the fourth year, 25 percent of them were receiving TANF/SNA. Control group households received, on average, $1,232 in TANF/SNA in the first year of the program and $1,151 in Year 4. The incentives-only program did not produce any additional reductions that were statistically significant in TANF/SNA receipt. Since the program did not increase earnings, this finding is not surprising.

Food stamp receipt did not decline for the study sample over the four years after the time of random assignment. About 80 percent of control group households were receiving food stamps in each quarter over four years of follow-up. The average amount of food stamps received each year increased from about $3,200 in Year 1 to about $3,700 in Years 2 and 3, and then dropped to about $3,400 in Year 4. The incentives-only program produced a reduction in the dollar amount of food stamp payments in Year 1 and Year 3, which resulted in a reduction of about $700 in food stamp payments for the four-year period. Although the positive impact on earnings for the four-year period just misses statistical significance at the 10 percent level ($p = 0.13$), as shown in Table 5.3, the accompanying $700 reduction in food stamp payments is statistically significant.

[17]Wheaton (2007); Taeuber et al. (2004).

[18]Appendix Table G.1 in the supplementary tables to the current report (Nuñez, Verma, and Yang, 2015, available at www.mdrc.org) presents employment and earnings impacts over four years by whether individuals were in households that were receiving food stamps in the month before random assignment. Overall, food stamp recipients had lower employment rates and earnings than did nonrecipients both during and after the program period. Although the impact estimates for food stamp recipients are larger than for nonrecipients, they are not statistically significant (except for the $651 impact on Year 1 earnings for food stamp recipients), and none of the impact differences between recipients and nonrecipients is statistically significant.

As part of an exploratory analysis on whether financial incentives tied to work could improve the employment and earnings outcomes of extremely disadvantaged individuals, program effects were observed across adults who were both not working and receiving food stamps at study entry. The incentives-only program did not produce impacts on employment or total earnings over four years for this subset of the core sample. (See Appendix Table E.4.)

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Table 5.4

Impacts on Benefits Receipt, Incentives-Only Study, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
TANF/SNA receipt				
Received TANF/SNA, Years 1-4 (%)	52.7	52.5	0.1	0.961
Average quarterly receipt (%)				
Year 1	29.7	29.4	0.3	0.850
Year 2	25.7	27.7	-2.0	0.287
Year 3	24.2	25.8	-1.7	0.387
Year 4	21.5	23.6	-2.1	0.286
Full period	25.3	26.6	-1.4	0.367
Last quarter	22.3	24.8	-2.5	0.274
Amount received ($)				
Year 1	1,246	1,232	14	0.868
Year 2	1,322	1,345	-22	0.856
Year 3	1,131	1,314	-183	0.153
Year 4	1,034	1,151	-117	0.366
Full period	4,734	5,042	-308	0.400
Last quarter	284	294	-10	0.794
Food stamp receipt				
Received food stamps, Years 1-4 (%)	92.0	91.7	0.3	0.854
Average quarterly receipt (%)				
Year 1	77.9	79.8	-1.9	0.282
Year 2	79.9	81.4	-1.5	0.456
Year 3	78.9	81.7	-2.8	0.174
Year 4	75.7	78.2	-2.5	0.253
Full period	78.1	80.3	-2.2	0.197
Last quarter	74.9	77.5	-2.7	0.269
Amount received ($)				
Year 1	3,029	3,218	-188 **	0.026
Year 2	3,633	3,744	-111	0.337
Year 3	3,424	3,717	-294 **	0.013
Year 4	3,244	3,354	-110	0.384
Full period	13,330	14,033	-704 *	0.064
Last quarter	783	817	-35	0.306
Sample size (total = 1,160)	573	587		

(continued)

Table 5.4 (continued)

SOURCE: MDRC calculations using administrative records data from the New York City Human Resources Administration (HRA).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The HRA outcome data cover TANF/SNA and food stamp receipt through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

TANF/SNA and food stamp outcomes and impacts are averages among core sample households.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive TANF/SNA or food stamps.

Even though the incentives-only program did not produce any impacts on TANF/SNA receipt for the core sample, it did have differential impacts across subgroups defined by employment status at the time of random assignment. Appendix Table E.5 shows that, over the four-year period, those in the control group who were not working at baseline received more than twice as much in TANF/SNA as those who were working at baseline, who received $3,088, on average. The incentives-only program produced a statistically significant reduction of more than $1,000 over the four years of the program, driven primarily by the $600 reduction in payments in Year 3, among those who were not working at baseline. Among those who were working at baseline, the TANF/SNA payment impacts were much smaller and not statistically significant. There were no differential impacts on food stamp payments across subgroups defined by employment status or food stamp receipt.

Household Income

The patterns of impacts across UI and benefits receipt data are not completely consistent. First, while the program increased earnings in Year 1, there was no corresponding reduction in the receipt of TANF/SNA. There was some reduction of food stamp payments, mostly in Year 3. Second, even though earnings did not increase among those who were not working at the time of random assignment, there was a reduction in their TANF/SNA payment amounts.

Since benefits receipt depends on household earnings rather than individual earnings, Table 5.5 presents four-year impacts on household-level income, which is the sum of earnings for all enrolled adults in the household, TANF/SNA payments for the household, and food

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Table 5.5

Four-Year Impacts on Household-Level Income, Incentives-Only Study, Core Sample

Outcome ($)	Program Group	Control Group	Difference (Impact)	P-Value
Total household income, excluding rewards				
Year 1	12,676	12,299	377	0.276
Year 2	13,706	13,237	469	0.335
Year 3	13,581	13,484	97	0.862
Year 4	13,646	13,265	381	0.534
Full period	53,608	52,285	1,324	0.438
Total household income, including rewards				
Year 1	13,153	12,299	854 **	0.016
Year 2	14,338	13,238	1,100 **	0.027
Year 3	13,669	13,483	186	0.740
Year 4	13,646	13,265	381	0.534
Full period	54,806	52,286	2,520	0.143
Sample size (total = 1,160)	573	587		

SOURCES: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records, the New York City Human Resources Administration (HRA), and Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Household income includes earnings from UI records and TANF/SNA and food stamp benefits from HRA, covering from January 1, 2008, through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

stamp payments for the household.[19] Measures of household income that include incentive payments are also shown. The findings in this table, described below, are interesting but do not help to explain the seeming mismatch between the earnings and benefits receipt impacts.

Since there were no statistically significant impacts on earnings or TANF/SNA receipt one year after random assignment, and an overall negative impact on food stamp receipt, it is not surprising that the incentives-only program did not increase total household income over four years. The program did produce increases in household income in Years 1 and 2 when accounting for the incentive payments received in the first two years of the program, boosting household income by an average of $854 in Year 1 and $1,100 in Year 2, both of which are statistically significant.

The differences in impacts on household income between subgroups defined by the employment status of the head of household are not statistically significant, although the positive household income impacts in the first two years, driven mainly by the incentive payments, are concentrated among families with employed heads of households at baseline (as shown in Appendix Table E.6).[20]

Housing Subsidy

A voucher household's subsidy covers the remaining portion of a fair market rent after the tenant pays an amount that is determined by a proportion of the household's income, so the subsidy amount should increase if a household's rent increases or if a household's income decreases. This total subsidy amount covers both the remaining rental amount and utility costs that NYCHA has deemed "reasonable." (The reasonable utility cost is known as the "utility allowance.") Table 5.6 presents impacts on the receipt and duration of receipt of the housing subsidy, as well as subsidy amounts.

As noted in Table 5.6, the housing subsidy amounts that are presented reflect the amount of the housing subsidy that is paid to the building owner (the landlord) and excludes utility allowance payments, which are paid directly to the tenants. This means that, in some cases, the total housing subsidy that the household received is slightly higher than the subsidy amounts that are reflected in the table. When there is no utility allowance payment, the total subsidy amount is equal to the payment to the owner. A separate analysis of NYCHA housing

[19]The "household income" measures are conservative estimates of income, since they do not include earnings or public benefits associated with adults in the sample households who did not enroll in the study.

[20]Impacts on total income also did not differ significantly across subgroups defined by food stamp receipt in the month before random assignment; in this analysis, the positive impacts on household income — also driven by the incentive payments — were concentrated among households receiving food stamps, as shown in Supplementary Appendix Table G.3 in Nuñez, Verma, and Yang (2015), available at www.mdrc.org.

Table 5.6

Impacts on Section 8 Housing Subsidy Receipt, Incentives-Only Study, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
Received Section 8 housing subsidy (%)				
Year 1	96.8	96.5	0.4	0.721
Year 2	93.6	94.3	-0.7	0.587
Year 3	89.8	90.2	-0.5	0.791
Full period	97.3	97.2	0.2	0.836
Month 42	84.1	85.7	-1.5	0.452
Number of months received Section 8 housing subsidy				
Year 1	11.3	11.3	-0.1	0.598
Year 2	11.0	10.9	0.0	0.850
Year 3	10.5	10.5	0.0	0.946
Full period	37.8	37.9	-0.1	0.875
Total Section 8 housing subsidy[a] ($)				
Year 1	9,416	9,513	-97	0.475
Year 2	9,428	9,514	-86	0.658
Year 3	9,164	9,262	-98	0.674
Full period	32,544	32,909	-366	0.536
Month 42	754	772	-17	0.437
Sample size (total = 1,160)	573	587		

SOURCE: MDRC calculations using data from New York City Housing Authority (NYCHA) Section 8 housing records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and September 30, 2008, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The data cover housing records through June 30, 2012, and for 3.5 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics for families or sample members. A two-tailed t-test was applied to differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Housing subsidy outcomes and impacts are averages among core sample households.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive housing subsidies.

[a]The measure reflects the housing subsidy paid by the housing agency to landlords. This amount excludes utility allowance payments made directly to tenants. A separate analysis of NYCHA data showed that in 98 percent of cases, the subsidy paid to the landlord and total subsidy for a voucher household were exactly the same.

data revealed that in 98 percent of households, the total subsidy amounts and the subsidy payments to the owner were exactly the same.

Over 3.5 years, only a few households in the incentives-only core sample moved off of the HCV Program. In the first year after the time of random assignment, 97 percent of the con-

trol group households received housing subsidies; in Year 3, the percentage had fallen to 90 percent, and at the end of the 42-month follow-up period, 86 percent of households in the control group were receiving a subsidy. The average subsidy amounts also fell over time, and also not by much; control group households received, on average, $9,262 in housing subsidies in Year 3 of the program, about $250 less than in Year 1.

Housing subsidy receipt did not differ significantly between the program and control groups. With no statistically significant impact on earned income or on household income without the incentives, it is not surprising that the program had no statistically significant impacts on housing subsidy receipt. That is, since families' income did not increase as a result of the program, their housing subsidy would not change. There were no differential impacts across subgroups defined by employment status at the time of random assignment (as shown in Appendix Table E.7).

In summary, the incentives-only program did not produce impacts on employment or earnings over four years, but it did reduce food stamp payments overall. The program increased household income during its first two years, when the incentives-only group could qualify to earn incentive payments.

Conclusion

This chapter shows that the receipt of reward payments did not increase substantially in the second year of the incentives-only program. About half of the adults in the program group earned a reward for full-time work, and very few earned an education and training reward at some point during the two-year program. Not surprisingly, most of those who earned rewards were already working at the time of random assignment.

The impact analysis shows that offering work incentives increased total household income (which includes earnings, TANF/SNA, food stamps, and, for the program group, incentive payments) in the first two years of the program but did not produce impacts on each income source separately. This finding suggests that the income gains were driven by the incentive payments during the program period.

As mentioned earlier, incentive payments that are rewarded to those who are already working may represent a windfall. Although the cash rewards might also offset a reduction in work, or work hours, that individuals may otherwise have experienced in the absence of those rewards, the lack of impacts on employment and earnings suggests that this is not what occurred. Since the incentives-only program did not target the unemployed or underemployed specifically, the steadily employed received a substantial windfall, while the long-term unemployed or those with unsteady employment neither found jobs nor worked more; it may have

been difficult for them to find work. Other studies of programs that offered cash incentives without additional supports have seen similar results.[21]

As concluded in the 2012 report, some individuals in the incentives-only study may have needed additional assistance to move into work; the incentives offer alone was not enough.[22] This conclusion is not surprising given the level of need among the Section 8 housing population. The administrative data show that households in the incentives-only study were highly dependent on government subsidies and transfers. Appendix Table E.8 shows levels of benefits that control group members received over the three years since they enrolled in the study. During this time, nearly everyone in the control group had received TANF/SNA, food stamps, or housing assistance totaling about $43,000 per household. Nearly two-thirds of the households where the head of household was not working at the time of random assignment were dependent on TANF/SNA at some time during the three years, despite sharp reductions in cash assistance caseloads from around 2004 through 2014. The financial incentives show promise in their ability to raise household income in the short term, but stronger solutions, possibly requiring intense work-related supports, are necessary to reduce this high dependency on government assistance in the long term.

[21]Scrivener et al. (2002); Miller et al. (2000); Riccio et al. (2013).
[22]Verma et al. (2012a).

Chapter 6

Broad Lessons and Thinking Ahead

This second Work Rewards report examines four years of data to investigate the longer-term effects of three different but related interventions to improve the well-being of low-income housing voucher recipients in New York City. Work Rewards represents the first experimental test of the Department of Housing and Urban Development's (HUD's) Family Self-Sufficiency (FSS) program, in operation since the early 1990s and the primary formal intervention for voucher holders that was designed to promote their self-sufficiency (the "FSS-only" program in this report). It also tests the value of augmenting FSS with more immediate cash work incentives (the "FSS+incentives" program) and the effectiveness for the voucher population of these special work incentives alone (the "incentives-only" program). The incentives-only program, if effective, would conceivably be cheaper and easier to implement on a large scale than the FSS program or FSS+incentives. The evidence continues to point to some steady, promising effects for a subgroup of participants in the FSS+incentives program who were not employed at study entry, but little gain for the study groups overall.

As this report provides only interim findings, it is too early to make a final assessment of the effectiveness of the interventions that were tested as part of the Work Rewards demonstration. Nevertheless, the stability of the longer-term pattern of effects on employment and earnings is instructive and raises important questions about the effectiveness of this cluster of interventions for housing voucher holders. This chapter presents some initial insights that cut across the three Work Rewards interventions, in order to place the emerging findings in a broader context.

FSS-Only Study: Why Were the Effects Limited?

The HUD FSS program is designed to help participants address barriers to steady employment and employment advancement and to help combat the potential disincentive effects of rent rules that are associated with housing assistance. Even in the absence of the program, this population is not one that would normally be fully detached from the labor market. Over the course of the four-year follow-up period, a majority of voucher holders in the control group (about 69 percent) had at some time worked in a job covered by unemployment insurance (UI). The bigger problem has to do with sustaining employment: the average quarterly employment rate for control group members was only 43 percent, ranging from 24 percent among those who were not already working at the time of random assignment to 63 percent among those who were already working. And average earnings were fairly low, with average wages of less

than $12 per hour. So far, FSS by itself has not improved these outcomes for voucher holders who participated in the program.

Current HUD policy for voucher holders limits their rent and utilities payments to 30 percent of their adjusted household income. However, when voucher holders' earnings increase, their contribution to their rent and utilities goes up, which can work against their attempts to go to work or to increase their earnings. The escrow component in the FSS program represents one possible approach to combating this potential disincentive. The FSS program does not change the existing rent rules; rather, the housing authority credits an interest-bearing escrow account for the family based on increases in earned income during the term of the FSS contract. Tenants can draw on the escrow account once they graduate from the FSS program — usually within five years. This "forced savings" provides participants with a goal to work toward. A more direct approach to combating the potential disincentive associated with increased earnings would involve altering the rent rules themselves, as discussed later in this chapter. However, most housing agencies do not have statutory authority to change the existing federal rent rules for voucher holders.

So far, the evidence from the Work Rewards demonstration suggests that FSS's combination of case management support and the escrow savings opportunity, at least as operated in the New York City test, does not by itself appear to produce employment and earnings gains for participants overall, or consistent impacts on public benefits receipt.

Various factors might explain the lack of impacts. The style or intensity of case management services that the FSS program offers might be at least partly responsible. FSS programs receive funding for case managers or coordinators, but each housing authority can decide how to implement its FSS program; the funding does not pay for service delivery. Given limited available funding, FSS case management is typically "light-touch" — that is, it focuses on providing referrals to other service providers and can have limited requirements for participant-staff engagement. In Work Rewards, case managers were available to help participants, but the structure of the contracts with the participating community-based organizations (CBOs) limited case managers from being more aggressive about staying in touch with those who did not seek their help. Yet, evidence from the Work Rewards baseline data shows that this population has significant barriers to both employment and employment advancement that may not have been effectively addressed by light-touch case management.

A comparison of outcomes in education versus banking might shed light on the value and limitations of the FSS approach by itself. If applicable to their situation, case managers helped interested participants in the FSS-only and FSS+incentives program groups identify and enroll in educational programs to earn degrees or certificates (for example, an associate's degree or a General Educational Development certificate) or licensing/certification (for example, Eng-

lish as a Second Language or vocational training). Analysis of responses to a 42-month tenant survey revealed a marked increase in the percentage of program group participants who enrolled in such programs over those in the control group, suggesting a strong desire in this population to improve their credentials. However, this finding did not translate into impacts on degree conferral, licensing, or certification during the follow-up period. Case managers also helped participants find a bank and set up checking and savings accounts. At the time of the survey, participants in both FSS program groups were more likely than those in the control group to have savings or checking accounts. Furthermore, their diminished use of check cashers suggests that they continued to use these accounts.

The differences in apparent effectiveness of case management are, perhaps, the result of differences in the commitment that is necessary to reach each outcome goal. Completing a degree or certificate program is a long process that requires financial and emotional support: navigating the financial aid process; balancing work, school, and family; identifying a tutor; choosing the correct courses. While participants may recognize the value in obtaining additional credentials, they may not be equipped to handle its associated challenges. A referral and upfront help completing an application may be enough to boost program enrollment, but case management that is limited to these activities leaves participants to fend for themselves in schooling. Inducing completion of educational programs may require more intense and more frequent follow-up.

By contrast, most of the work that is associated with a bank account is in up-front setup. While checking and savings accounts require maintenance, it does not rise to the emotional or financial demands that are associated with schooling. A case management approach focusing on referrals and help with initial account setup seems sufficient to induce outcomes of this type. In other words, a light-touch approach to case management is limited in the types of outcomes it can likely affect.

The potential for producing impacts may have been further limited by low program involvement: many participants rarely met with their case managers, and only about one-fourth reported meeting with them more than a couple of times. This finding might reflect the approach to case management whereby participants had to initiate follow-up meetings. Participants may not have perceived value in continued engagement, or they may have had situational or other problems that got in the way of active participation.

The lack of impacts may also be explained by the distant and uncertain incentive provided by the escrow account, given that the payout does not occur until five years in the future. This condition may make it a weak incentive. Indeed, this possibility led to the test of FSS bundled with more immediate work incentives. It remains to be seen whether impacts on employ-

ment, earnings, and public benefits receipt emerge in the fifth year of follow-up, as participants get closer to the end of the program and graduation.

The FSS program also faced a number of implementation challenges. As documented in MDRC's first report on Work Rewards, the implementation of the FSS program as part of the demonstration was a complex endeavor.[1] It involved a complicated management structure among the partners operating the program; a set of contracts with the CBOs that were 100 percent performance-based, meaning that the CBOs got paid only for meeting specific milestones (or "payment points") for pre-specified numbers of participants (which constrained the CBOs' flexibility and may have diluted the attention they placed on work outcomes); and constant uncertainty about how much funding would be available from HUD year-to-year to operate the program. Despite these challenges, the participating organizations were able to deliver essential components of the FSS program, although not as robustly as originally hoped.

Marketing the escrow account was also noted as a particular challenge. Early in the program, some CBO staff members found the workings of the escrow savings account challenging to communicate to participants. As a result, in interactions with participants, these staff members did not prompt discussions about the escrow account and how families could accumulate savings and the conditions for receiving a payout as much as the program designers had intended. In addition, the agencies' contracts with the housing authority did not include any provisions relating to escrow accounts among the many milestones in their performance-based contracts. In an effort to increase participants' awareness of the escrow component, Seedco devised new marketing strategies, which included special mailings and automated phone calls to program group members. However, FSS program staff mostly continued to wait for queries, and they referred participants who contacted them to housing authority case managers at the New York City Department of Housing Preservation and Development for more specific information. As discussed in Chapter 2, most participants (over 88 percent) were aware of the escrow component, and over 50 percent had an escrow balance, but many did not correctly understand some of the criteria for qualifying for an escrow payment, and few understood all of the criteria.

Finally, through field observations and interviews, the evaluation showed that already-employed individuals had more difficulty incorporating FSS into their busy lives along with work and family responsibilities. Many viewed the services that FSS offered as largely focused on work readiness and job search, and not likely to help them with employment advancement. Other studies that have carefully tested much more intensive initiatives for low-income popula-

[1]Verma et al. (2012a).

tions who are employed underscore the difficulty of helping working participants advance, suggesting that FSS struggled with the same issue.[2]

Testing the Family Self-Sufficiency Program Nationally

The results from the Work Rewards experiment so far suggest that FSS by itself, at least in the first New York City test, is not effective in improving employment, earnings, or aspects of material well-being. However, this single-city test does not imply that the FSS program in general is not effective. The version of the program that was tested as part of the Work Rewards demonstration and the population it served are, as noted, not necessarily representative of FSS and its participants nationally. Though referred to as a "program" throughout this report, FSS is sometimes thought of as a funding "framework"; while HUD funds coordinators and the escrow accounts, local housing authorities can decide how to structure the program to help participants achieve their self-sufficiency goals. Therefore, FSS programs as implemented at other housing agencies may vary in intensity of contact and program emphasis. For example, contracting with service vendors (in this case, the CBOs) and the intent to emphasize work-related services distinguish the design of the Work Rewards FSS program from other FSS programs.

In order to study the effect of FSS in other cities and on other populations, HUD commissioned a national evaluation of the program and, in March 2012, selected MDRC to lead it. The national evaluation will provide evidence on the effectiveness of FSS across diverse programmatic and population contexts. Eighteen housing authorities across the country are participating in that evaluation, which includes a sample of 2,600 voucher holders. The results from that study will place the Work Rewards' FSS program in a national context and provide insight into which program experiences and impacts are generalizable to the national program and which may be idiosyncratic to Work Rewards.

Testing an Incentives-Only Approach from Within and Outside the Rent System

A large body of literature is available on the use of cash incentives that are conditioned on work. Such incentive payments are sometimes offered as ongoing income support to promote work and reduce poverty, with the understanding that the need for this supplemental income may persist among workers who do not advance to higher-wage jobs. The Earned Income Tax Credit is the most prominent example of such a policy and is not tied to any particular employment program.

[2]Hendra et al. (2011); Martinson and Hendra (2006); Miller, Van Dok, Tessler, and Pennington (2012).

Financial work incentives have also been incorporated as components of employment and welfare-to-work programs. A primary reason has been to help make low-wage work "pay." By changing the economic calculus of working, these earnings supplements were intended to increase the rates at which unemployed participants entered and sustained work. They have also been tested as part of programs designed for low-income working individuals to encourage already employed participants to take on additional hours (for example, to move from part-time to full-time work) and to persist in work.

There has, however, never been a test of an incentives-only strategy targeted specifically to housing voucher recipients. Like the FSS program, a work-incentives program is a potential external means of combating the work disincentive associated with the rent rules, though one that focuses on more immediate rewards than an escrow strategy can supply. Therefore, an investigation into the impacts of incentives alone offers further evidence about the potential effectiveness of external "add-on" programs versus direct alteration of rent structures (that is, "internal" changes to existing rent policies). Furthermore, an incentives-only program, if effective, may represent a much cheaper and easier-to-scale intervention than FSS.

The incentives-only approach that was tested as part of the Work Rewards demonstration, however, has produced no pattern of statistically significant impacts to date on labor market outcomes for New York City Housing Authority voucher holders. Several possible reasons for this finding are considered below.

Work Rewards incentive payments related to employment were limited to full-time work. This decision was made because some prior studies of welfare-to-work programs that included financial work incentives found evidence that offering work incentives for any work, including part-time jobs, caused some participants who would have worked full time to work part time instead, since they could, with the supplement, earn the same amount with less effort.[3] Furthermore, while part-time work can act as a stepping stone toward self-sufficiency, full-time jobs are better paid, are more likely to come with benefits, and represent a bigger step toward moving out of poverty.

While offering incentives to secure full-time employment has some advantages, participants in Work Rewards may have had difficulty finding and qualifying for full-time jobs, or to manage without child care if they had young children. For populations with significant employment barriers and, possibly, the added concerns of "earning their way off housing subsidies," offering incentives for full-time work, by themselves, without other kinds of supports, may be insufficient.

[3]Michalopoulos (2005).

Of course, it is possible that a larger cash incentive may have yet produced impacts. Although it is impossible to determine from the current study whether larger rewards would have yielded different outcomes, the incentive payments themselves may not have been large enough to combat the possible disincentive effect of the rent rules or to compensate participants for the costs associated with work (for example, transportation and child care expenses).

Finally, participants may not have known enough about the work incentives or understood them. Meetings with case managers may have helped participants in the FSS+incentives group understand the incentive payments and given them a prominent role in decision making (as discussed below). Without this reinforcement, perhaps the rent rules, and not the potential for incentive payments, loomed largest as tenants thought about increasing their work and earnings.

The National Rent Reform Demonstration

The incentives-only intervention represents, in part, an attempt to counteract the potential work disincentives associated with voucher rent rules, but from outside the rent structure. However, perhaps this approach has lower salience or perceived value than one that builds work incentives into the rent rules themselves.

In 2012, HUD commissioned the design and testing of an alternative rent policy that would be simpler to administer and was intended to create a greater financial incentive for tenants to work. Called the Rent Reform Demonstration, the study, which is now in progress, offers an important opportunity to test the effects of another incentives-only strategy that operates "inside" the rent rules, rather than apart from them.[4] The goal of the new policy is to allow working voucher holders to keep more of their earnings by limiting increases in tenant rent contributions when their earned income grows.[5]

MDRC will conduct a rigorous and comprehensive evaluation of the new rent policy, using a randomized controlled trial to determine whether it improves voucher holders' labor market outcomes and reduces reliance on housing subsidies and other major government bene-

[4]MDRC (2014).

[5]Voucher holders' rents will be set for three years, rather than annually, and during that three-year period, any increase in earnings that the household achieves will not cause the amount of rent and utilities it pays to go up. Besides reducing the need for annual recertification, the policy simplifies the process of setting a household's payment and subsidy amount by eliminating deductions and allowances from the calculation and applying a lower percentage of income (28 percent) to a household's gross income, and by simplifying the estimation of household utility costs. The new policy also includes a minimum rent, ranging from $50 to $150 per month, depending on the housing agency — but that rent can be waived under a hardship exemption. Four public housing agencies have agreed to participate in the Rent Reform Demonstration: Lexington and Louisville, Kentucky; San Antonio, Texas; and Washington, DC. All four have "Moving to Work" designations, which means they are authorized by Congress to design and test innovative policies to improve the current rent subsidy system.

fits. It will also compare the different housing agencies' processes and levels of effort to administer the new policy relative to traditional rent rules. The demonstration will focus on working-age, nondisabled voucher holders. Early impact findings from this research will be available in 2017.

Lessons from the FSS+Incentives Study

Both the FSS-only and incentives-only strategies have potential shortcomings, identified above. FSS case management may help participants overcome barriers to employment, but the associated escrow account is a distant and uncertain gain and thus may be only a weak incentive to work in practice. Incentive payments for full-time work offer an immediate reward for employment, but they may be insufficient to produce impacts given the host of personal and contextual challenges that housing voucher recipients face in working, increasing their hours, or qualifying for better jobs. Each program appears to address, at least in part, the potential deficiencies of the other. Therefore, in developing the Work Rewards demonstration, the designers sought to learn whether the combination of the two approaches might produce stronger impacts.

The FSS+incentives program did not improve the earnings outcome for study participants overall. The same factors that are discussed above that may have limited the impacts for the FSS program are at play here as well. The program did, however, have clear impacts for those who were not working at the time of random assignment.

Neither FSS alone nor incentives alone produced earnings or employment impacts. While these programs were tested on independent samples, the simplest interpretation of this finding is that the type of case management that is offered as part of FSS or incentives are insufficient to help participants find and maintain full-time work but that their combination is effective for the subgroup of participants who were not working when the study began (and only this subgroup).

On the other hand, implementation and participation do not suggest that most FSS-only or FSS+incentives participants used case management often or intensely, which speaks against this interpretation. Although it is impossible to determine in this evaluation, it may be that the minority of participants who were more actively engaged with the program, particularly among those who were not employed at baseline, benefited from the help they received from their case managers or from the service providers to whom they were referred. Another possibility is that the combination of the upfront work incentive with the long-term incentive associated with the escrow may have motivated participants in a way that neither could alone.

Earnings Impacts and Housing Subsidy Effects

Given the lack of clear and consistent employment and earnings impacts overall, it is not surprising that the three Work Rewards programs do not appear to have reduced public housing benefit receipt rates or the value of the housing subsidies for participants.[6] It is, however, striking that there are no public housing benefit impacts even for those in the FSS+incentives programs who were not working at random assignment, the subgroup that did gain in both employment and earnings: though total tenant portion — the amount that tenants contribute toward their rent — increased later in the follow-up period, there was no concomitant decrease in receipt of the housing subsidy. An initial look at the Section 8 rent formula had suggested a simple inverse relationship between earnings and subsidy value: as earnings increase, the tenant's portion of the rent (after recertification) will also increase and the housing subsidy that the tenant receives will concomitantly decrease. In practice, the process is evidently more complicated.

First, employment and earnings impacts were concentrated among those in the FSS+incentives group who were not working at random assignment. A move into work brings with it associated costs in transportation and child care. Section 8 rules recognize the additional cost of child care by offering an income disallowance that can attenuate the rise in the total tenant's portion of the rent and therefore limit any reduction of the rent subsidy.

Second, it is also possible under the rent formula for income to rise without subsidies falling if earnings impacts induced participants to move to larger or higher-quality housing with associated higher contract rent as long as that rent was within the payment standard set for the area by the housing agency. Although the analysis of survey data (not reported) uncovered no impact of FSS+incentives on the rate at which members of the initially nonworking program subgroup moved relative to their control group counterparts, that does not rule out the possibility that program group members in this subgroup were more likely to move to more expensive housing than were those in the control group.

Regardless, the findings suggest that an intervention targeted to the housing voucher population will have to produce much larger gains in earnings before those gains translate into reduced reliance on housing subsidies.

Impacts on Receipt of Temporary Assistance for Needy Families and Food Stamps

There is little evidence that the FSS and FSS+incentives programs reduced overall reliance on public benefits. Gains in employment and earnings in the FSS+incentives group for those who were not working at random assignment do not appear to have translated into de-

[6]Recall that the housing subsidy amounts that are presented reflect the amount of the housing subsidy that is paid to the building owners and excludes utility allowance payments, which are paid directly to the tenants.

creased reliance on Temporary Assistance for Needy Families (TANF) or Safety Net Assistance (SNA) or on food stamps. Effects on the receipt of food stamps were considered unlikely. The FSS program does not require that participants stop receiving food stamps to graduate. Food stamp benefits diminish slowly as income increases, and during the study period, eligibility and benefit value were expanded in response to the Great Recession. That said, there does appear to be a drop in food stamp receipt in the FSS+incentives group in the fourth year of follow-up. It is not clear why this drop would occur; the ongoing Work Rewards evaluation will determine whether the effect persists. FSS does require participants to be free of cash assistance (TANF/SNA) for a full 12 months before they graduate. Some movement on this outcome would be expected toward the end of the five-year program period. Indeed, there is some emerging evidence from the last quarter for which public records are available (approximately 48 months after random assignment) that participants in both program groups are beginning to leave TANF/SNA. This development may therefore represent the beginning of efforts to fulfill program graduation requirements and receive accumulated escrow. FSS+incentives also produced a statistically significant reduction in the amount of food stamp benefits in the fourth year of follow-up.[7]

Conclusion

The final Work Rewards report will cover five years of follow-up, encompassing the time frame during which participants are expected to move off of public cash assistance, graduate from FSS, and receive their escrow funds. It will provide an opportunity to determine whether employment and earnings impacts persist and whether impacts on public benefits receipt emerge as the program nears completion. The final report will also include a benefit-cost analysis.

Work Rewards is part of a growing portfolio of evidence on the housing-voucher population and housing-related strategies to promote self-sufficiency. The study demonstrates that such programs can benefit the recipients of housing vouchers by improving their employment and earnings outcomes. The impacts of the evaluation to date were, however, limited in size and scope. The Work Rewards findings are consistent with those of other evaluations of workforce initiatives. Each produced important but limited impacts; each helped those who were not working to gain and sustain employment but offered no benefit to those who were already working.[8] There is a need for bigger effects but there is also a solid foundation on which to build a stronger intervention.

[7]The reasons for this timing are not clear. The finding will be revisited in the final Work Rewards report.
[8]Hendra et al. (2011); Martinson and Hendra (2006); Miller, Van Dok, Tessler, and Pennington (2012).

Appendix A

Response Analysis for the Work Rewards 42-Month Survey

The Work Rewards 42-Month Survey provides information about Work Rewards Family Self-Sufficiency (FSS) study core sample members on topics such as participation in employment and education activities, health care, employment and job characteristics, and household composition.[1] As the survey was administered to a subset of the FSS core research sample, it is necessary to assess the reliability of impact results for the survey sample. The results for the survey sample may or may not generalize to (or be representative of) the core research sample because individuals who responded to the survey may be different from those who were chosen for the survey but did not respond. The failure of some families to respond to the survey may compromise the validity of the impact estimates, particularly if response rates differed by research group.

This appendix presents a description of the survey fielding effort and assesses the survey in terms of its generalizability to the core research sample and its validity for estimating program impacts. Overall, the results suggest that the survey sample provides slightly biased estimates of the program's effects, particularly on the employment outcomes. Several weighting strategies were employed, but none of the methods that was used corrected sufficiently for the nonresponse bias. Therefore, the report presents unweighted survey impact estimates but treats the survey findings on employment and material hardship with caution, relying on administrative data for the full sample to make more definitive conclusions about the program.

Sample Selection and Survey Administration

The FSS core research sample includes 1,455 core households, and only 2 were not selected to be interviewed for the survey, since these household heads were known to be deceased before survey fielding started.[2] The survey instrument consisted of seven sections, six of which were administered to the entire fielded sample and one of which was administered to only those in the two program groups.

Fielding of the survey began in September 2011. Members of the fielded sample were initially contacted by letter, introducing the survey and soliciting participation, and then telephoned to conduct the survey interviews. Individuals were offered $30 for completing the

[1]The "core sample" includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

[2]The unit of selection for the fielded sample was families, and the interview was administered to one adult household member. As shown in Table A.1, 34 percent of the fielded sample had more than one adult in the household. In these cases, the adult family member who completed the Baseline Information Form first, usually the head of household, was contacted for the survey interview.

interview.[3] Survey interviews concluded in April 2012. Respondents were interviewed anywhere from 35 to 51 months after they were randomly assigned. Imbalances in survey response times were small; respondents in all three groups (FSS-only, FSS+incentives, and control) were interviewed, on average, 42.7 months after the time of random assignment.

Characteristics of Respondents and Nonrespondents within the Fielded Sample

Among the 1,453 households that were chosen to be surveyed, 1,152 completed a survey interview, for a response rate of 79 percent. The response rates for the separate treatment groups were 78 percent for the program group that received FSS alone (FSS-only), 81 percent for the program group that received FSS plus the special work incentives (FSS+incentives), and 78 percent for the control group.

Appendix Table A.1 presents selected baseline characteristics for survey respondents and nonrespondents. Some differences are to be expected, given that individuals who respond to surveys tend to be different, usually less disadvantaged, from those who do not respond. For the FSS study sample, however, the respondents seem to be more disadvantaged than nonrespondents in several ways. The respondent sample, for example, has a lower fraction of households with more than one adult than does the nonrespondent sample. Respondents were also more likely to be receiving food stamps at the time of random assignment, less likely to be able to cover their regular expenses, and less likely to have a bank account than nonrespondents.

Demographically, survey respondents were younger, more likely to be female, and more likely to be black than nonrespondents. They were more likely to have a high school or General Educational Development (GED) certificate than the individuals who did not respond to the survey. They were also more likely to speak primarily English at home and to be U.S. citizens than were nonrespondents.

These differences were tested in a regression model, in which the probability of response was regressed on a range of baseline covariates. The results are shown in Appendix Table A.2. Some of the statistically significant differences shown in Appendix Table A.1 remain statistically significant; in particular, respondents were more likely to be Hispanic/Latino and female than were nonrespondents. Respondents were also more likely to speak English at home and had worked for more months in the year before random assignment than nonrespondents. In addition, the full model is statistically significant. The differences between the two

[3]Incentive payments increased from $30 to $60 in February 2012. Approximately 79 percent of the respondent sample received a $30 incentive payment, and 21 percent received a $60 incentive payment.

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Appendix Table A.1

Characteristics of the Fielded Survey Sample at the Time of Random Assignment, by Response Status, FSS Study, Core Sample

Characteristic	Survey Respondents	Non-respondents	Fielded Sample	
Assigned to FSS-only program group (%)	33.4	35.5	33.9	
Assigned to FSS+incentives program group (%)	33.5	29.2	32.6	
Assigned to control group (%)	33.1	35.2	33.5	
Family baseline measures				
Number of children in household (%)				
0	36.1	42.2	37.3	
1	23.7	19.9	22.9	
2	21.6	18.6	21.0	
3 or more	18.6	19.3	18.8	
Average number of children in household	1.3	1.3	1.3	
Average number of adults in household	1.4	1.6	1.4	***
Households with more than one adult (%)	31.5	42.7	33.8	***
Average number of adults enrolled	1.1	1.2	1.2	***
Households with more than one adult enrolled (%)	12.5	18.6	13.8	***
Primary language spoken at home is English (%)	73.5	49.5	68.5	***
Receiving TANF or SNA (%)	18.4	16.8	18.1	
Receiving food stamps (%)	70.3	62.8	68.8	**
At least one adult covered by public health insurance (%)	76.5	78.4	76.9	
Not receiving any public benefits (%)	12.1	11.3	11.9	
Earnings above 130% of federal poverty level (%)	10.1	7.8	9.6	
Length of time receiving Section 8 (%)				
Less than 1 year	8.7	9.3	8.8	
1-3 years	21.4	27.2	22.6	
4-6 years	27.7	24.6	27.0	
7-9 years	14.5	13.6	14.3	
More than 9 years	27.7	25.2	27.2	
Household's share of the rent (%)				
$0 - $200	33.0	34.0	33.2	
$201 - $400	47.1	42.1	46.1	
$401 or more	19.9	23.9	20.8	
During the last 12 months, household was unable to (%)				
Pay rent and utility bills	43.4	36.9	42.0	**
Pay telephone bills	27.3	23.3	26.5	
Buy food or prescription drugs	21.9	15.6	20.6	**

(continued)

Appendix Table A.1 (continued)

Characteristic	Survey Respondents	Non-respondents	Fielded Sample	
Parents' baseline measures				
Female (%)	82.9	71.4	80.5	***
Age (%)				
18-24 years	3.5	5.6	3.9	**
25-34 years	22.2	17.3	21.2	**
35-44 years	34.1	29.2	33.1	**
45-59 years	38.2	45.8	39.8	**
60 or older	2.0	2.0	2.0	**
Average age (years)	41.7	42.9	41.9	*
Marital status (%)				
Single	68.8	53.0	65.5	[***]
Cohabitating	0.9	0.3	0.8	[***]
Separated, widowed, or divorced	20.1	20.7	20.2	
Married or in a legal domestic partnership	10.2	26.0	13.5	***
Relationship to head of household (%)				
Head of household	95.2	92.0	94.6	[ ]
Spouse or legal domestic partner	1.4	3.0	1.7	[ ]
Child or parent	2.9	5.0	3.3	[ ]
Other	0.4	0.0	0.3	[ ]
U.S. citizen[a] (%)	86.2	77.7	84.5	***
Hispanic/Latino	41.6	45.9	42.5	***
White, non-Hispanic/Latino	2.4	2.4	2.4	***
Black, non-Hispanic/Latino	51.4	34.7	48.0	***
Asian/Pacific islander	2.4	15.6	5.1	***
Other	2.2	1.4	2.0	
Has an account at bank or credit union (%)	43.3	53.9	45.5	***
Has savings (%)	21.1	20.3	21.0	
Has loans (%)	31.2	31.2	31.2	
Education (highest degree or diploma earned) (%)				
GED certificate	9.1	9.1	9.1	
High school diploma	15.9	15.9	15.9	
Some college	21.7	17.9	20.9	
Associate's degree/2-year college	6.8	5.7	6.6	
4-year college or beyond	7.6	4.7	7.0	
None of the above	38.9	46.6	40.5	
Has high school diploma or GED certificate (%)	61.1	53.4	59.5	**
Has trade license or training certificate (%)	43.0	39.1	42.2	

(continued)

Appendix Table A.1 (continued)

Characteristic	Survey Respondents	Non-respondents	Fielded Sample
Employment measures			
Currently working (%)	50.2	50.7	50.3
Working full time[b] (%)	30.6	31.9	30.9
Total weekly earnings[c] (%)			
$0	52.4	52.5	52.5
$1 - $200	14.4	16.4	14.8
$201 - $400	23.6	22.5	23.4
$401 or more	9.6	8.6	9.4
During past year, average number of months worked	4.9	4.7	4.8
Among those who worked in past year	10.4	10.3	10.3
Health measures			
Has physical, emotional, or mental health problem that limits work (%)	16.8	20.3	17.5
Health insurance coverage (%)			
Public health insurance	77.2	79.8	77.7
Employer health insurance	7.8	6.5	7.5
Other health insurance	2.5	3.1	2.6
Not covered	12.6	10.6	12.2
Over the past 2 weeks, had been feeling down, depressed, or hopeless (%)	22.2	22.8	22.3
Sample size	1,152	301	1453

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Rounding may cause slight discrepancies in calculating sums and differences.

In order to assess differences in characteristics across respondents and nonrespondents, chi-square tests were used for categorical variables, and t-tests were used for continuous variables. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Sample sizes may vary because of missing values.

Brackets ([]) around significance levels indicate that the chi-square tests for statistical significance are not valid because sample sizes within categories are too small.

[a]Refers to U.S. citizens both by birth and by naturalization.

[b]Refers to 30 hours a week or more.

[c]More than 5 percent of data were missing (5.8 percent) because some respondents did not provide earnings information.

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Appendix Table A.2

Estimates from a Logistic Regression for the Probability of Being a Respondent to the Work Rewards 42-Month Survey, FSS Study, Core Sample

	Fielded Sample	
Variable	Parameter Estimate	P-Value
Family baseline measures		
Intercept	0.220	0.652
Assigned to FSS-only program group	0.002	0.989
Assigned to FSS+incentives program group	0.244	0.149
Number of adults in household	-0.062	0.524
Receiving food stamps	0.137	0.363
Not able to pay rent in the last 12 months	0.065	0.649
Age	0.005	0.498
Hispanic/Latino	0.352 **	0.041
Married or in a legal domestic partnership	-0.265	0.103
U.S. citizen	0.067	0.718
Male	-0.560 ***	0.001
High school diploma or GED certificate	0.146	0.303
Has an account at bank or credit union	-0.212	0.155
English is primary language	1.102 ***	<.0001
During past year, average number of months worked	0.034 ***	0.009
Likelihood ratio	102.204 ***	<.0001
Wald statistic	97.054 ***	<.0001
Sample size		1,453

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTE: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.
Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

groups suggest that some caution is in order when generalizing the survey findings to the research sample. However, because the response rate was fairly high (nonrespondents represent about 21 percent of the fielded sample), the respondent sample still looked similar to the fielded sample.

Finally, the top three rows of Appendix Table A.1 show that response rates are virtually the same across the two FSS program groups and the control group. The logistic regression on Appendix Table A.2 shows that the coefficients on the program group variables are not statistically significant and confirms that the difference in response rates between groups is not statistically significant. However, differences in characteristics between the program

and control groups may still exist and could lead to the possibility that impact estimates may be biased or invalid.

Comparison Between the Research Groups in the Survey Respondent Sample

Selected baseline characteristics for program and control group survey respondents are shown in Appendix Table A.3. Although the three groups are similar across almost all dimensions, there are a few exceptions. The FSS-only group has a higher fraction of households with more than one adult enrolled in the study than does the FSS+incentives group or the control group, and the three groups were employed for different lengths of time in the year before random assignment, ranging from an average of 10 months for the two FSS program groups to 11 months for the control group.

These differences are also estimated in a logistic regression framework, in which the likelihood of being in each program group is regressed on a range of baseline characteristics (shown in Appendix Table A.4). Two logistic regressions are presented, one for the likelihood of being in the FSS-only group and the other for the likelihood of being in the FSS+incentives group. The FSS+incentives logistic model is statistically significant and shows that respondents in this group were less likely to be Hispanic/Latino, less likely to speak English at home, and worked fewer months in the past year than did respondents in the control group. While these differences suggest that caution should be used when interpreting survey impacts, all of the characteristics for which there are differences between the research groups are included in the impact regression models.

Consistency of Impacts

The previous sections suggest that some caution should be exercised when interpreting the results from the survey for two reasons. First, the results for the survey sample may not be generalizable to the full research sample, given the differences in characteristics between individuals who responded to the survey and those who did not. Second, although accounted for in the impact regression model, program and control group respondents differed on a few characteristics.

This section helps to put the survey results in context, by comparing impacts estimated from administrative data for the core research and respondent samples. Impacts for the research sample represent the best estimate of the program's effects, given that they use the full program group and control group, and not a potentially nonrandom subset of survey respondents. Thus, finding similar impacts for the survey sample and the larger research sample would give more

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Appendix Table A.3

Characteristics of the Survey Respondents at the Time of Random Assignment, by Research Group, FSS Study, Core Sample

Characteristic	Respondents				
	FSS-Only	FSS+ Incentives	Control Group	Total Survey	
Family baseline measures					
Number of children in household (%)					
0	35.3	36.1	36.8	36.1	
1	22.6	24.6	23.7	23.7	
2	23.9	19.9	21.1	21.6	
3 or more	18.2	19.4	18.4	18.6	
Average number of children in household	1.4	1.3	1.3	1.3	
Average number of adults in household	1.4	1.4	1.4	1.4	
Households with more than one adult (%)	33.3	31.5	29.6	31.5	
Average number of adults enrolled	1.2	1.1	1.1	1.1	*
Households with more than one adult enrolled (%)	15.9	11.1	10.6	12.5	*
Primary language spoken at home is English (%)	72.9	72.0	75.5	73.5	
Receiving TANF or SNA (%)	16.8	18.5	20.1	18.4	
Receiving food stamps (%)	68.1	72.5	72.7	71.1	
At least one adult covered by public health insurance (%)	75.8	78.0	75.6	76.5	
Not receiving any public benefits (%)	14.5	9.6	11.8	12.0	
Earnings above 130% of federal poverty level (%)	10.1	10.2	9.9	10.1	
Length of time receiving Section 8 (%)					
Less than 1 year	9.4	8.0	8.7	8.7	
1-3 years	22.7	18.9	22.6	21.4	
4-6 years	26.3	29.0	27.6	27.7	
7-9 years	12.5	17.1	13.9	14.5	
More than 9 years	29.2	26.9	27.1	27.7	
Household's share of the rent (%)					
$0 - $200	34.5	32.8	31.6	33.0	
$201 - $400	45.4	47.5	48.3	47.1	
$401 or more	20.1	19.7	20.1	19.9	
During the last 12 months, household was unable to (%)					
Pay rent and utility bills	44.3	43.0	42.9	43.4	
Pay telephone bills	26.6	26.4	28.9	27.3	
Buy food or prescription drugs	20.8	22.5	22.4	21.9	

(continued)

Appendix Table A.3 (continued)

Characteristic	Respondents			
	FSS-Only	FSS+ Incentives	Control Group	Survey
Adults' baseline measures				
Female (%)	82.0	82.3	84.5	82.9
Age (%)				
18-24 years	3.4	3.1	3.9	3.5
25-34 years	22.6	23.1	21.0	22.2
35-44 years	35.8	32.4	34.1	34.1
45-59 years	37.4	38.9	38.3	38.2
60 or older	0.8	2.6	2.6	2.0
Average age (years)	41.4	41.9	41.7	41.7
Marital status (%)				
Single	71.3	65.4	69.8	68.8 [ ]
Cohabitating	1.3	0.5	0.8	0.9 [ ]
Separated, widowed, or divorced	18.2	23.2	19.0	20.1
Married or in a legal domestic partnership	9.2	10.9	10.3	10.2
Relationship to head of household (%)				
Head of household	95.0	94.3	96.3	95.2 [ ]
Spouse or legal domestic partner	1.0	1.8	1.3	1.4 [ ]
Child or parent	3.9	2.8	1.8	2.9 [ ]
Other	0.0	0.8	0.5	0.4 [ ]
U.S. citizen[a] (%)	84.9	87.0	86.8	86.2
Race/ethnicity (%)				
Hispanic/Latino	43.1	36.8	45.0	41.6
White, non-Hispanic/Latino	3.2	2.9	1.1	2.4
Black, non-Hispanic/Latino	50.3	54.3	49.6	51.4
Asian/Pacific islander	2.1	2.9	2.1	2.4
Other	1.3	3.1	2.1	2.2
Has an account at bank or credit union (%)	43.7	44.9	41.2	43.3
Has savings (%)	23.7	19.2	20.5	21.1
Has loans (%)	28.6	31.6	33.4	31.2
Education (highest degree or diploma earned) (%)				
GED certificate	9.0	10.1	8.0	9.1
High school diploma	18.5	15.1	14.2	15.9
Some college	21.6	21.8	21.7	21.7
Associate's degree/2-year college	7.4	7.3	5.6	6.8
4-year college or beyond	7.1	8.3	7.5	7.6
None of the above	36.4	37.4	43.0	38.9
Has high school diploma or GED certificate (%)	63.6	62.6	57.0	61.1
Has trade license or training certificate (%)	40.2	46.8	42.1	43.0

(continued)

Appendix Table A.3 (continued)

Characteristic	Respondents FSS-Only	FSS+ Incentives	Control Group	Survey	
Employment measures					
Currently working (%)	53.1	46.7	50.7	50.2	
Working full time[b] (%)	33.0	27.9	31.0	30.6	
Total weekly earnings[c] (%)					
$0	49.9	56.2	51.2	52.4	
$1 - $200	16.6	13.2	13.2	14.4	
$201 - $400	23.3	22.9	24.8	23.6	
$401 or more	10.2	7.7	10.7	9.6	
During past year, average number of months worked	5.1	4.4	5.0	4.9	
Among those who worked in past year	10.2	9.9	10.9	10.4	***
Health measures					
Has physical, emotional, or mental health problem that limits work (%)	16.2	17.6	16.5	16.8	
Health insurance coverage (%)					
Public health insurance	75.7	78.2	77.6	77.2	
Employer health insurance	7.8	6.8	8.6	7.8	
Other health insurance	3.5	2.9	1.1	2.5	
Not covered	12.9	12.1	12.7	12.6	
Over the past 2 weeks, had been feeling down, depressed, or hopeless (%)	22.8	21.1	22.5	22.2	
Sample size	385	386	381	1152	

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Rounding may cause slight discrepancies in calculating sums and differences.

In order to assess differences in characteristics across research groups, chi-square tests were used for categorical variables, and t-tests were used for continuous variables. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Sample sizes may vary because of missing values.

Brackets ([]) around significance levels indicate that the chi-square tests for statistical significance are not valid because sample sizes within categories are too small.

[a]Refers to U.S. citizens both by birth and by naturalization.

[b]Refers to 30 hours a week or more.

[c]More than 5 percent of data were missing (5.8 percent) because some respondents did not provide earnings information.

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Appendix Table A.4

Estimates from a Logistic Regression for the Probability of Being a Program Group Respondent to the Work Rewards 42-Month Survey, FSS Study, Core Sample

	Respondent Sample			
	FSS-Only		FSS+Incentives	
Variable	Parameter Estimate	P-Value	Parameter Estimate	P-Value
Family baseline measures				
Intercept	0.478	0.363	0.699	0.176
Number of adults in household	0.074	0.513	-0.057	0.616
Receiving food stamps	-0.188	0.260	-0.007	0.967
Not able to pay rent in the last 12 months	0.097	0.514	0.038	0.804
Age	-0.004	0.576	-0.003	0.727
Hispanic/Latino	-0.166	0.353	-0.618 ***	0.001
Married or in a legal domestic partnership	-0.189	0.305	0.236	0.192
U.S. citizen	-0.168	0.466	0.068	0.781
Male	0.173	0.388	0.061	0.763
High school diploma or GED certificate	0.294 *	0.060	0.248	0.110
Has an account at bank or credit union	0.030	0.853	0.075	0.645
English is primary language	-0.303	0.172	-0.599 ***	0.009
During past year, average number of months worked	-0.004	0.751	-0.029 **	0.046
Likelihood ratio	10.6	0.565	22.2 **	0.036
Wald statistic	10.4	0.584	21.1 **	0.049
Sample size		766		767

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTE: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.
Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

credibility to the survey analysis. Appendix Table A.5 shows impacts for employment and earnings outcomes using New York State unemployment insurance (UI) records data.

The employment outcomes for Years 1 through 3 presented in Appendix Table A.5 are largely consistent across each of the samples, with statistically significant employment impacts only in Year 1. However, in Year 4, employment impacts are statistically significant and larger for the respondent sample, and nonsignificant and smaller for the core research sample. Since the survey was administered in Year 4 for the majority of the survey respondents, this inconsistency in impacts across the two samples is a concern. Additionally, since the FSS+incentives group worked less than the control group did before enrolling in the study, the survey analysis would have been expected to underestimate, not overestimate, impacts on employment. These

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Appendix Table A.5

Impacts on Employment and Earnings, FSS Study, Core Sample and Survey Respondent Sample

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value
Employment and earnings									
Year 1									
Quarterly employment rate (%)									
Core sample	47.1	47.2	43.1	3.9 **	0.038	4.0 **	0.034	0.1	0.961
Respondent sample	48.1	50.2	44.8	3.3	0.144	5.4 **	0.016	2.1	0.356
Earnings ($)									
Core sample	6,951	7,120	6,901	51	0.886	219	0.562	169	0.633
Respondent sample	7,285	7,888	7,361	-76	0.864	527	0.258	603	0.170
Year 2									
Quarterly employment rate (%)									
Core sample	45.5	46.4	43.1	2.5	0.251	3.3	0.143	0.8	0.719
Respondent sample	47.6	48.9	44.7	2.8	0.261	4.2	0.108	1.4	0.610
Earnings ($)									
Core sample	7,571	7,654	7,272	299	0.522	381	0.444	82	0.862
Respondent sample	8,022	8,355	7,735	287	0.620	620	0.298	333	0.565
Year 3									
Quarterly employment rate (%)									
Core sample	44.5	46.0	42.4	2.2	0.353	3.6	0.144	1.5	0.560
Respondent sample	46.5	47.3	43.4	3.1	0.275	3.9	0.163	0.9	0.763
Earnings ($)									
Core sample	8,027	7,742	7,442	585	0.300	300	0.610	-285	0.608
Respondent sample	8,401	8,282	7,774	627	0.344	508	0.454	-119	0.856

(continued)

Appendix Table A.5 (continued)

Outcome	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
Year 4									
Quarterly employment rate (%)									
Core sample	43.6	45.3	41.8	1.8	0.460	3.5	0.152	1.8	0.474
Respondent sample	45.8	49.1	42.6	3.2	0.264	6.5 **	0.025	3.3	0.240
Earnings ($)									
Core sample	7,976	8,446	7,694	282	0.647	752	0.237	470	0.444
Respondent sample	8,437	9,055	7,743	694	0.324	1,312 *	0.076	618	0.382
Full period									
Quarterly employment rate (%)									
Core sample	45.2	46.2	42.6	2.6	0.148	3.6 *	0.052	1.0	0.577
Respondent sample	47.0	48.9	43.9	3.1	0.143	5.0 **	0.021	1.9	0.374
Earnings ($)									
Core sample	30,526	30,962	29,309	1,217	0.480	1,653	0.364	436	0.796
Respondent sample	32,145	33,581	30,613	1,532	0.459	2,968	0.167	1,436	0.477

SOURCES: MDRC calculations using administrative records data from the New York State Human Resources Administration (HRA) and New York State unemployment insurance (UI) wage records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who were not employed or not receiving public benefits.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

Employment and earnings outcome and impact estimates are averages among core sample adults.

Standard errors for employment and earnings outcomes were adjusted to account for multiple observations per household.

factors suggest that unobserved differences between the two samples may be driving the differences in the employment impacts.

A few weighting methods were used to address this inconsistency, described below. However, since none of the weights could sufficiently correct for the differences in respondents between the FSS+incentives and control groups, this report does not present weighted impacts but cites survey findings on employment and material hardship with caution.

Sensitivity Test: Weighting

A number of comparisons above show evidence of nonresponse bias in the Work Rewards survey. First, the regression that predicts whether a respondent was in the FSS+incentives group, shown in Appendix Table A.4, is statistically significant. Second, reward receipt in the FSS+incentives group is more than twice as high among survey respondents compared with nonrespondents; 45 percent of survey respondents had received an incentive payment through the program, compared with 22 percent of nonrespondents. Third, the impacts for the survey sample using UI records data are different from the impacts of the core research sample.

Multiple forms of weighting were attempted to remedy the nonresponse bias problem. First, survey weights were constructed as the inverse of the predicted probability of response, which rebalanced the baseline characteristics between the two samples, but did not reduce the difference in the employment impacts across the two samples. This result implies that other factors, unobservable at baseline and therefore not possible to model, were also imbalanced. Second, weights were constructed from paradata, which are data about the survey administration process and include frequencies of contacts before responses, response refusals, and interview dates, but these weights were not sufficient to remedy the imbalance in baseline characteristics.

Finally, weights were constructed as the inverse of the rewards receipt rate, which did reduce the impacts among the survey response sample. This approach, however, presents two problems: (1) the rewards receipt rate is a post-random assignment factor, so the analysis is nonexperimental; and (2) the weights that were created from the rewards receipt rate overcorrected for the nonresponse bias.

Since none of these weighting methods sufficiently corrected for the nonresponse bias, weighted survey impacts are not presented in this report. Nevertheless, the survey results are not necessarily invalid. When UI-defined employment outcomes were restricted to only the first adult in the household who filled out the Baseline Information Form (usually the head of household), the differences in the impacts between the respondent sample and research sample persisted but were smaller. About 14 percent of the core research sample comprised households

with more than one adult enrolled in the study. This finding suggests that a large part of the difference in the impacts between the research and the respondent samples is driven by the employment rates of the other adults in the core research sample households. Although program impacts on the respondent sample's outcomes may be larger than they are across the core research sample's outcomes, they are still consistent with the patterns shown on the analyses with administrative data.

Conclusion

Overall, the variety of tests conducted and results presented suggest that the survey sample provides slightly biased estimates of the program's effects; these effects appear to be larger than those that would have been obtained for the core research sample. The survey sample differed from the core sample in terms of English language use and other variables, and the impacts that were calculated from administrative records data were larger for the survey respondent sample than for the core research sample. A number of weighting strategies could not sufficiently correct for the inconsistencies in impact calculations. Therefore, some caution should be used when interpreting impact findings from the survey, particularly when considering the employment and material hardship impacts among the survey respondent sample.

Appendix B

Supplementary Tables for Chapter 2

The Opportunity NYC Demonstration: Work Rewards

Appendix Table B.1

Enrollment of FSS Study Households, by Month of Random Assignment, Full Sample

Month of Random Assignment	Number Enrolled	Percentage	Cumulative Number	Cumulative Percentage
January 2008	26	1.3	26	1.3
February 2008	122	6.3	148	7.6
March 2008	200	10.3	348	17.9
April 2008	379	19.5	727	37.3
May 2008	141	7.2	868	44.6
June 2008	147	7.6	1,015	52.1
July 2008	145	7.4	1,160	59.6
August 2008	195	10.0	1,355	69.6
September 2008	342	17.6	1,697	87.2
October 2008	89	4.6	1,786	91.7
November 2008	71	3.6	1,857	95.4
December 2008	73	3.7	1,930	99.1
January 2009	17	0.9	1,947	100.0

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: This table includes all households who enrolled in the FSS study, including those who have since withdrawn from the study.

Rounding may cause slight discrepancies in calculating sums and differences.

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Appendix Table B.2

Baseline Characteristics of Households in the FSS Study, Core Sample

Characteristic	FSS Study Sample
Number of children in household (%)	
0	37.4
1	22.8
2	21.0
3 or more	18.8
Average number of children in household	1.3
Average number of adults in household	1.4
Households with more than one adult (%)	33.8
Average number of adults enrolled	1.2
Households with more than one adult enrolled (%)	13.8
Primary language spoken at home is English (%)	68.5
Receiving TANF or SNA (%)	18.1
Receiving food stamps[a] (%)	68.9
At least one adult covered by public health insurance (%)	76.9
Not receiving any public benefits (%)	13.0
Earnings above 130% of federal poverty level[b] (%)	9.6
Length of time receiving Section 8 (%)	
Less than 1 year	8.8
1-3 years	22.6
4-6 years	27.0
7-9 years	14.3
More than 9 years	27.3
Household's share of the rent (%)	
$0 - $200	33.1
$201 - $400	46.1
$401 or more	20.7
During the last 12 months, household was unable to (%)	
Pay rent and utility bills	42.0
Pay telephone bills	26.4
Buy food or prescription drugs	20.6
Sample size	1,455

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

[a]This measure is calculated using administrative data from the New York City Human Resources Administration (HRA) rather than data from the Baseline Information Form.

[b]More than 5 percent of data were missing (5.3 percent) because some respondents did not provide earnings information.

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Appendix Table B.3

Baseline Characteristics of Adults in the FSS Study, Core Sample

Characteristic	FSS Study
Female (%)	78.9
Age (%)	
18-24 years	9.2
25-34 years	20.4
35-44 years	31.1
45-59 years	37.4
60-61 years	1.9
Average age (years)	41
Marital status (%)	
Single	65.6
Cohabitating	0.9
Separated, widowed, or divorced	18.5
Married or in a legal domestic partnership	15.1
Relationship to head of household (%)	
Head of household	86.2
Spouse or legal domestic partner	4.2
Child or parent	8.8
Other	0.8
U.S. citizen[a] (%)	84.3
Race/ethnicity (%)	
Hispanic/Latino	42.8
White, non-Hispanic/Latino	2.4
Black, non-Hispanic/Latino	46.3
Other	8.5
Has an account at bank or credit union (%)	45.7
Has savings (%)	20.7
Has loans (%)	30.2
Education (highest degree or diploma earned) (%)	
GED certificate	8.6
High school diploma	16.3
Some college	20.6
Associate's degree/2-year college	6.4
4-year college or beyond	6.9
None of the above	41.2
Has high school diploma or GED certificate (%)	58.8
Has trade license or training certificate (%)	40.2

(continued)

Appendix Table B.3 (continued)

Characteristic	FSS Study
Employment measures	
Currently working (%)	48.6
Working full time[b] (%)	29.8
Total weekly earnings[c] (%)	
$0	54.2
$1 - $200	14.6
$201 - $400	22.5
$401 or more	8.7
Average number of months worked among those who worked in past year	9.9
Health measures	
Has physical, emotional, or mental health problem that limits work (%)	16.7
Health insurance coverage (%)	
Public health insurance	78.3
Employer health insurance	7.1
Other health insurance	2.8
Not covered	11.9
Over the past 2 weeks, had been feeling down, depressed, or hopeless (%)	21.2
Sample size	1,603

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

[a]Refers to U.S. citizens both by birth and by naturalization.

[b]Refers to 30 hours a week or more.

[c]More than 5 percent of data were missing (5.8 percent) because some respondents did not provide earnings information.

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Appendix Table B.4

Reasons for Participating in the FSS Program, by Employment Status at Random Assignment, Core Sample

Outcome (%)	FSS-Only	FSS+ Incentives
Not working at random assignment		
Reasons for signing up for FSS		
Get help with work-related goals	78.6	80.5
Get help finding work	66.4	71.3
Get help finding a better job	47.1	48.0
Get help keeping current job	18.8	21.8
Get help with personal issues that make having a job difficult	19.8	24.8
Get help with accessing services, such as day care, food bank, etc.	25.2	28.9
Get help finding different or better housing	33.4	35.0
Other	27.0	24.3
Left the FSS program before Year 5	12.6	14.8
Sample size (total = 384)	179	205
Working at random assignment		
Reasons for signing up for FSS		
Get help with work-related goals	69.1	72.8
Get help finding work	43.2	47.2
Get help finding a better job	56.3	55.0
Get help keeping current job	22.9	26.1
Get help with personal issues that make having a job difficult	20.1	24.2
Get help with accessing services, such as day care, food bank, etc.	22.9	23.3
Get help finding different or better housing	38.1	40.1
Other	34.3	29.1
Left the FSS program before Year 5	9.1	17.0
Sample size (total = 382)	203	179

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups.

This table excludes control group members because it pertains only to the FSS program.

Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

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Appendix Table B.5

FSS Case Management and Services, by Employment Status at Random Assignment, Core Sample

Outcome (%)	FSS-Only	FSS+ Incentives	Difference (Impact)		P-Value	Sig.
Not working at random assignment						
Ever met with FSS case manager	53.2	65.4	12.1	**	0.021	†††
1-2 times	28.3	28.7	0.4		0.938	
3-5 times	10.4	16.4	6.0		0.115	
More than 5 times	14.5	20.3	5.8		0.160	†††
Talked with case manager about anything	51.7	65.2	13.5	**	0.011	†††
Work	44.1	55.0	10.9	**	0.040	†††
Housing	18.9	29.7	10.8	**	0.025	
Landlord	11.6	17.0	5.4		0.166	
Financial problems	24.3	33.1	8.8	*	0.081	
Health	12.4	19.6	7.1	*	0.087	
Other	9.1	17.6	8.5	**	0.025	†
Completed a career plan or set up goals with case manager	42.3	49.3	7.0		0.200	†††
Reviewed or updated career plan with case manager	21.2	29.6	8.4	*	0.085	
Discussed using FSS escrow account with case manager	38.0	40.2	2.2		0.687	
Ever received assistance from LaGuardia Community College's Division of Adult and Continuing Education	36.0	33.0	-3.0		0.559	
In contact with the FSS program the last 3 months	16.4	21.7	5.3		0.206	†
Expect to be involved with the FSS program in the next 3 months	57.5	68.8	11.3	**	0.044	
Satisfied or very satisfied with the FSS program	66.6	73.3	6.7		0.188	
Dissatisfied or very dissatisfied with the FSS program	27.3	24.4	-2.9		0.546	
Would recommend FSS program to a friend	78.9	85.7	6.9	*	0.091	†††
FSS helped participant find a job	18.2	29.6	11.4	**	0.013	†
FSS helped participant save money in an escrow account	25.0	32.9	7.9	*	0.100	††
FSS helped participant repair his or her credit	11.7	22.0	10.3	**	0.011	
Sample size (total = 384)	179	205				

(continued)

Appendix Table B.5 (continued)

Outcome (%)	FSS-Only	FSS+ Incentives	Difference (Impact)	P-Value	Sig.
Working at random assignment					
Ever met with FSS case manager	62.8	63.5	0.7	0.892	†††
1-2 times	35.6	24.4	-11.2 **	0.026	
3-5 times	13.5	18.2	4.7	0.235	
More than 5 times	13.3	20.7	7.4 *	0.064	††
Talked with case manager about anything	61.4	62.7	1.2	0.810	†††
Work	49.4	48.3	-1.1	0.833	
Housing	23.5	25.9	2.4	0.610	
Landlord	11.9	14.6	2.7	0.457	
Financial problems	29.7	29.5	-0.2	0.961	
Health	14.6	8.4	-6.2 *	0.075	
Other	19.2	20.0	0.8	0.852	
Completed a career plan or set up goals with case manager	45.0	46.2	1.2	0.823	†††
Reviewed or updated career plan with case manager	24.7	23.7	-1.0	0.828	
Discussed using FSS escrow account with case manager	34.6	37.3	2.8	0.597	
Ever received assistance from LaGuardia Community College's Division of Adult and Continuing Education	37.8	35.6	-2.2	0.671	
In contact with the FSS program the last 3 months	21.8	25.9	4.2	0.358	
Expect to be involved with the FSS program in the next 3 months	69.3	68.5	-0.9	0.869	
Satisfied or very satisfied with the FSS program	77.2	80.0	2.8	0.525	
Dissatisfied or very dissatisfied with the FSS program	20.1	18.2	-1.9	0.655	
Would recommend FSS program to a friend	86.1	85.9	-0.1	0.970	
FSS helped participant find a job	20.5	18.2	-2.3	0.589	
FSS helped participant save money in an escrow account	49.6	44.3	-5.3	0.308	†
FSS helped participant repair his or her credit	19.9	22.8	3.0	0.498	
Sample size (total = 382)	203	179			

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the FSS-only and FSS+incentives program groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

This table excludes control group members because it pertains only to the FSS program.

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Appendix Table B.6

Participation in the FSS Program, by Program Group, First 48 Months, Core Sample

Outcome	FSS-Only	FSS+ Incentives	Difference (Impact)		P-Value
Any service received or milestone achieved (%)	58.1	74.7	16.5	***	0.000
Services received (%)					
Needs assessment	54.7	70.8	16.1	***	0.000
Case management and follow-up services	39.9	57.4	17.5	***	0.000
Financial and support milestones achieved (%)					
Attend financial literacy class or other asset-building service	13.0	12.0	-1.0		0.632
Linked to benefits or work supports	10.3	14.1	3.8	*	0.056
Credit improved	2.9	5.0	2.0	*	0.070
Linked to family-based support services	12.0	15.2	3.3		0.123
Employment milestones achieved (%)					
Began education/job training program	11.8	18.5	6.7	***	0.003
Started employment	15.4	19.5	4.1	*	0.078
Continuous employment - 30 days	16.4	27.1	10.7	***	0.000
Continuous employment - 90 days	12.3	19.5	7.2	***	0.001
Continuous employment - 180 days	8.0	12.3	4.3	**	0.018
Wage gain/promotion	2.9	6.9	4.0	***	0.002
Education upgrade	6.8	9.9	3.2	*	0.070
Number of services received or milestones achieved (%)	3.0	4.0	1.0	***	0.001
0	41.9	25.3	-16.5	***	0.000
1	16.8	13.8	-3.0		0.182
2 or more	41.3	60.9	19.5	***	0.000
Sample size (total = 1,069)	546	523			

SOURCE: MDRC calculations from Seedco's Work Rewards program data.

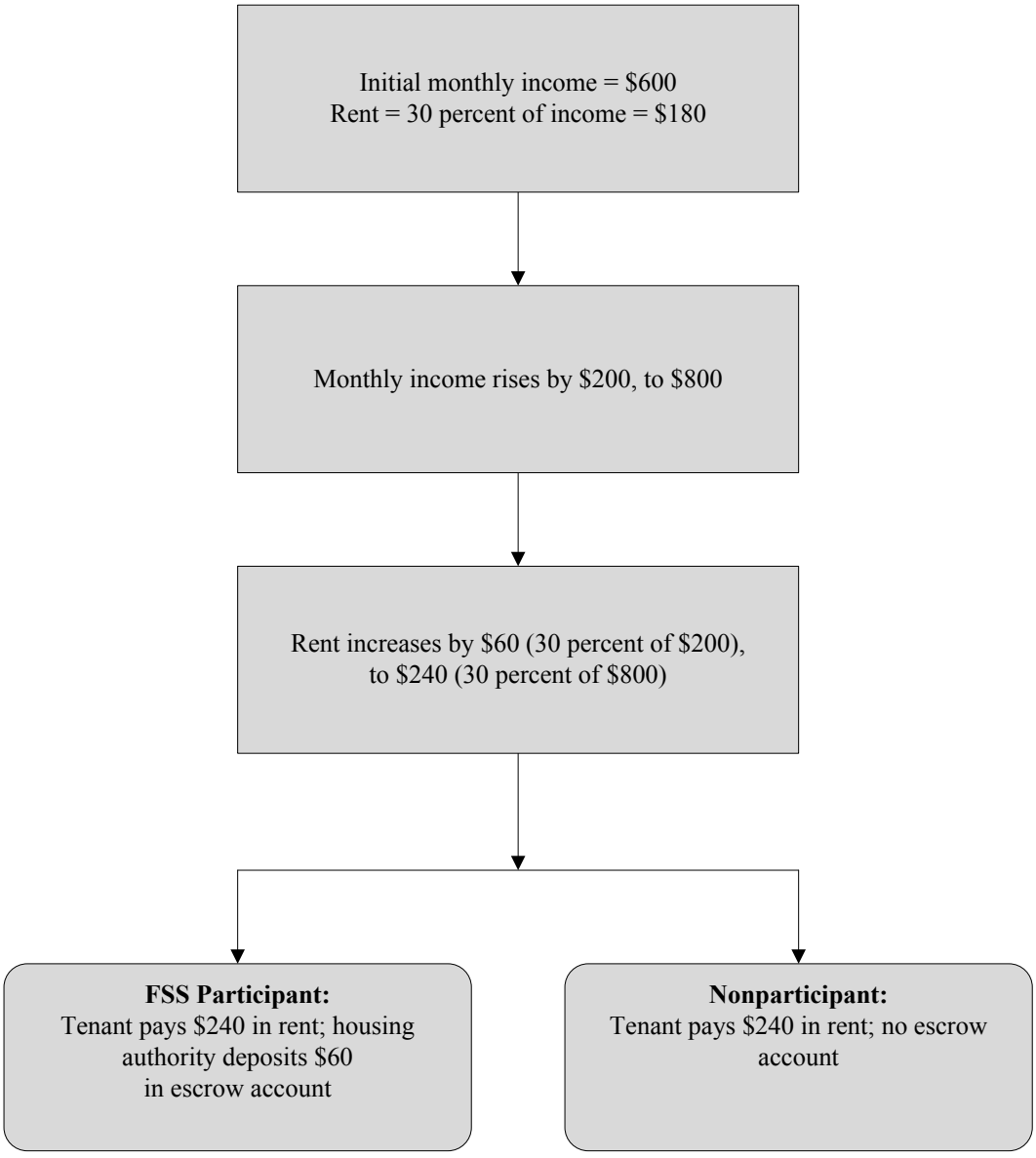
NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between between FSS-only and FSS+incentives outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Appendix Figure B.1

A Hypothetical Example of Accruing Savings Over Time Through the FSS Escrow Component



Appendix C

Supplementary Tables for Chapter 3

The Opportunity NYC Demonstration: Work Rewards

Appendix Table C.1

Impacts on Non-UI-Covered Job Characteristics, FSS Study, Core Sample

	Average Outcome Levels			FSS-Only vs. Control		FSS+Incentives vs. Control		FSS+Incentives vs. FSS-Only	
Outcome (%)	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Difference (Impact)	P-Value	Difference (Impact)	P-Value
42-month survey respondents									
Currently working, according to survey	48.5	55.1	44.4	4.1	0.205	10.7 ***	0.001	6.6 **	0.042
Working in quarter of survey interview, according to UI data	48.4	51.7	44.4	4.0	0.215	7.2 **	0.024	3.2	0.310
Self-employed, according to survey	7.7	8.9	6.5	1.3	0.506	2.4	0.209	1.1	0.550
Working out of state, according to survey	1.8	1.3	0.9	0.9	0.263	0.4	0.636	-0.5	0.517
Sample size (total = 1,152)	385	386	381						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey and New York State unemployment insurance (UI) administrative records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

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Appendix Table C.2

Impacts on Income Sources, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.
Not working at random assignment									
Household income source in prior month (%)									
Respondent's earnings	29.7	42.4	27.3	2.3	0.636		15.1 ***	0.002	
Food stamps	81.7	82.0	86.9	-5.2	0.173		-5.0	0.179	
Sample size (total = 568)	178	203	187						
Working at random assignment									
Household income source in prior month (%)									
Respondent's earnings	74.3	73.4	66.7	7.6	0.100		6.7	0.158	
Food stamps	73.5	64.9	73.9	-0.4	0.924		-9.0 *	0.051	
Sample size (total = 575)	204	181	190						

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

The Opportunity NYC Demonstration: Work Rewards

Appendix Table C.3

Receipt of TANF/SNA, Food Stamps, and Housing Assistance Over Four Years, by Employment Status at Random Assignment, FSS Study, Core Sample Control Group

Sample and Type of Benefit	Receipt Rate (%)	Average Amount per Household ($)
Core sample		
TANF/SNA	55.8	5,964
Food stamps	90.0	13,051
Housing assistance	98.1	39,547
Sample size (total = 487)	99.8	58,563
Not working at random assignment		
TANF/SNA	67.1	9,279
Food stamps	92.9	13,767
Housing assistance	97.9	38,694
Sample size (total = 243)	100.0	61,741
Working at random assignment		
TANF/SNA	44.0	2,768
Food stamps	87.2	12,382
Housing assistance	98.3	40,665
Sample size (total = 239)	99.5	55,816

SOURCE: MDRC calculations using administrative records data from the New York City Human Resources Administration (HRA) and from New York City Housing Preservation and Development (HPD) Section 8 housing records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The HRA outcome data cover TANF/SNA and food stamp receipt through June 30, 2013, and for 4 years after study entry for each sample member.

TANF/SNA and food stamp outcomes and impacts are averages among core sample households.

Rounding may cause slight discrepancies in calculating sums and differences.

The subgroup sample sizes do not sum to the core sample size because some sample members were missing data on employment status at the time of random assignment.

Dollar averages include zero values for sample members who did not receive TANF/SNA or food stamps.

The Opportunity NYC Demonstration: Work Rewards

Appendix Table C.4

Four-Year Impacts on Employment and Earnings, by Selected Subgroups, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control			FSS+Incentives vs. Control		
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Sig.	Difference (Impact)	P-Value	Sig.
Not working and receiving food stamps at random assignment									
Ever employed (%)	60.4	64.3	53.8	6.7	0.155		10.6 **	0.017	††
Average quarterly employment (%)	27.3	30.3	21.7	5.6 *	0.055		8.5 ***	0.003	††
Total earnings ($)	14,522	16,910	10,904	3,618 *	0.094		6,006 ***	0.006	††
Sample size (total = 631)	196	224	211						
Working or not receiving food stamps at random assignment									
Ever employed (%)	80.0	79.4	80.5	-0.5	0.845		-1.0	0.687	††
Average quarterly employment (%)	56.6	57.4	57.0	-0.4	0.869		0.4	0.885	††
Total earnings ($)	41,273	40,161	41,669	-396	0.875		-1,508	0.581	††
Sample size (total = 954)	345	293	316						

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records and New York City Human Resources Administration (HRA).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences. Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

Appendix D

Supplementary Tables for Chapter 4

The Opportunity NYC Demonstration:Work Rewards

Appendix Table D.1

Impacts on Financial Services, Savings, and Debt, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome	Average Outcome Levels			FSS-Only vs. Control			FSS+Incentives vs. Control		
	FSS-Only	FSS+ Incentives	Control Group	Difference (Impact)	P-Value	Sig.	Difference (Impact)	P-Value	Sig.
Not working at random assignment									
Currently has bank account (%)	43.5	45.1	31.6	11.9 **	0.019		13.5 ***	0.006	
Cash check or pay bill at check casher at least once a month (%)	56.3	56.0	58.4	-2.1	0.701		-2.4	0.650	
Average savings ($)	117	161	67	50	0.484	†	94	0.181	
Any savings (%)	17.3	19.2	8.7	8.6 **	0.021		10.5 ***	0.004	
Average debt ($)	6,758	4,897	5,714	1,044	0.398		-817	0.494	
Sample size (total = 568)	178	203	187						
Working at random assignment									
Currently has bank account (%)	60.1	68.4	53.4	6.7	0.175		14.9 ***	0.003	
Cash check or pay bill at check casher at least once a month (%)	46.0	48.0	59.8	-13.8 ***	0.007		-11.8 **	0.025	
Average savings ($)	90	255	292	-202 *	0.078	†	-37	0.749	
Any savings (%)	13.0	18.7	11.3	1.7	0.645		7.3 *	0.051	
Average debt ($)	6,223	7,150	7,836	-1,613	0.236		-687	0.623	
Sample size (total = 575)	204	181	190						

(continued)

Appendix Table D.1 (continued)

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the program and control groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

The Opportunity NYC Demonstration: Work Rewards

Appendix Table D.2

Four-Year Impacts on Household Income, FSS Study, Core Sample

Outcome ($)	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value
Total household income, excluding incentive payments									
Year 1	12,227	12,317	12,175	52	0.897	142	0.724	90	0.822
Year 2	13,328	13,131	13,038	290	0.579	93	0.860	-198	0.707
Year 3	13,668	12,924	12,876	792	0.202	48	0.939	-744	0.234
Year 4	13,406	13,390	13,094	311	0.656	296	0.675	-15	0.982
Full period	52,628	51,761	51,183	1,445	0.453	579	0.766	-867	0.655
Total household income, including incentive payments									
Year 1	12,231	12,600	12,171	59	0.883	429	0.293	369	0.363
Year 2	13,333	13,643	13,033	300	0.571	610	0.253	310	0.560
Year 3	13,667	12,989	12,877	790	0.204	112	0.858	-678	0.278
Year 4	13,406	13,390	13,094	311	0.656	296	0.675	-15	0.982
Full period	52,637	52,622	51,176	1,461	0.451	1,446	0.460	-14	0.994
Sample size (total = 1,455)	492	476	487						

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records, the New York City Human Resources Administration (HRA), and Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The UI and HRA outcome data cover employment, earnings, TANF/SNA, and food stamp receipt data through June 30, 2013, and for 4 years after study entry for most sample members.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences. Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

The Opportunity NYC Demonstration: Work Rewards

Appendix Table D.3

Four-Year Impacts on Household Income, by Employment Status at Random Assignment, FSS Study, Core Sample

Outcome ($)	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.
Head of household not working at random assignment									
Total household income, excluding incentive payments									
Year 1	8,844	9,311	8,453	390	0.446		858 *	0.093	
Year 2	10,184	10,507	9,265	920	0.185		1,242 *	0.073	††
Year 3	10,530	10,391	9,380	1,150	0.161		1,011	0.216	
Year 4	10,047	10,499	9,748	298	0.745		751	0.411	
Full period	39,605	40,708	36,847	2,758	0.272		3,861	0.123	
Total household income, including incentive payments									
Year 1	8,845	9,437	8,455	390	0.453		982 *	0.058	
Year 2	10,184	10,760	9,263	921	0.190		1,497 **	0.033	
Year 3	10,531	10,421	9,380	1,151	0.161		1,041	0.203	
Year 4	10,047	10,499	9,748	298	0.745		751	0.411	
Full period	39,607	41,117	36,847	2,760	0.274		4,270 *	0.090	
Sample size (total = 721)	237	241	243						
Head of household working at random assignment									
Total household income, excluding incentive payments									
Year 1	15,586	15,513	15,867	-281	0.632		-354	0.556	
Year 2	16,454	15,920	16,763	-310	0.691		-844	0.290	††
Year 3	16,666	15,711	16,356	310	0.738		-645	0.495	
Year 4	16,653	16,578	16,416	237	0.821		163	0.879	
Full period	65,358	63,723	65,403	-45	0.988		-1,680	0.567	

(continued)

Appendix Table D.3 (continued)

Outcome ($)	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS-Only vs. Control: Sig.	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. Control: Sig.
Total household income, including incentive payments									
Year 1	15,598	15,956	15,855	-257	0.664		101	0.867	
Year 2	16,463	16,701	16,752	-289	0.714		-51	0.950	
Year 3	16,665	15,814	16,359	306	0.741		-545	0.565	
Year 4	16,653	16,578	16,416	237	0.821		163	0.879	
Full period	65,379	65,050	65,382	-3	0.999		-332	0.910	
Sample size (total = 722)	251	232	239						

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records, the New York State Human Resources Administration (HRA), and Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

The outcome data cover employment, earnings, TANF/SNA, and food stamp receipt data through June 30, 2013, and for 4 years after study entry for all sample members.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for nonworking sample members.

The Opportunity NYC Demonstration: Work Rewards

Appendix Table D.4

Impacts on Family Composition and Health, FSS Study, Core Sample

Outcome	Average Outcome Levels: FSS-Only	Average Outcome Levels: FSS+ Incentives	Average Outcome Levels: Control Group	FSS-Only vs. Control: Difference (Impact)	FSS-Only vs. Control: P-Value	FSS+Incentives vs. Control: Difference (Impact)	FSS+Incentives vs. Control: P-Value	FSS+Incentives vs. FSS-Only: Difference (Impact)	FSS+Incentives vs. FSS-Only: P-Value
Family composition									
Current marital status (%)									
Single, never married	55.6	54.5	58.9	-3.2	0.217	-4.4 *	0.096	-1.1	0.665
Married and living with spouse	11.2	9.2	8.8	2.5	0.204	0.5	0.809	-2.0	0.302
Separated or living apart from spouse	13.9	16.5	12.9	1.0	0.685	3.6	0.135	2.6	0.274
Divorced	16.5	14.6	15.4	1.1	0.676	-0.8	0.748	-1.9	0.459
Widowed	2.8	5.2	4.1	-1.2	0.378	1.1	0.421	2.4 *	0.091
Living with partner (%)	3.1	3.8	3.1	0.0	1.000	0.8	0.549	0.8	0.548
Number of children[a] (%)	1.3	1.2	1.2	0.0	0.568	-0.1	0.480	-0.1	0.200
0	38.4	41.0	40.5	-2.0	0.513	0.5	0.867	2.5	0.410
1	22.7	25.8	21.5	1.1	0.714	4.3	0.166	3.1	0.307
2	22.3	17.4	21.7	0.7	0.812	-4.3	0.136	-4.9 *	0.083
3 or more	16.6	15.9	16.4	0.2	0.936	-0.5	0.846	-0.7	0.783
Average self-rated health (1 = poor; 5 = excellent) (%)	2.9	3.1	3.0	-0.1	0.226	0.1	0.370	0.2 **	0.035
Excellent	12.2	16.4	13.8	-1.6	0.531	2.6	0.303	4.2 *	0.097
Very good	15.4	17.4	19.3	-3.9	0.148	-2.0	0.472	2.0	0.467
Good	35.4	32.7	29.9	5.4	0.112	2.7	0.426	-2.7	0.426
Fair	25.6	25.5	28.2	-2.6	0.407	-2.7	0.396	-0.1	0.983
Poor	11.5	8.1	8.8	2.7	0.199	-0.7	0.746	-3.4	0.107
Sample size (total = 1,152)	385	386	381						

(continued)

Appendix Table D.4 (continued)

SOURCE: MDRC calculations using data from the Work Rewards 42-Month Survey.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly and disabled individuals.

Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of families or sample members. A two-tailed t-test was applied to differences between outcomes for the research groups. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Sample sizes may vary across measures because of missing values.

[a]This measure only includes children 18 years of age or younger.

Appendix E

Supplementary Tables for Chapter 5

The Opportunity New York City Demonstration: Work Rewards

Appendix Table E.1

Baseline Characteristics of Households in the Incentives-Only Study, Core Sample

Characteristic	Baseline
Number of children in household (%)	
0	37.2
1	25.7
2	22.2
3 or more	15.0
Average number of children in household	1.2
Average number of adults in household	1.4
Households with more than one adult (%)	33.1
Average number of adults enrolled	1.2
Households with more than one adult enrolled (%)	17.6
Primary language spoken at home is English (%)	55.1
Receiving TANF or SNA (%)	15.4
Receiving food stamps[a] (%)	73.3
At least one adult covered by public health insurance (%)	84.7
Not receiving any public benefits (%)	9.8
Earnings above 130% of federal poverty level[b] (%)	10.6
Length of time receiving Section 8 (%)	
Less than 1 year	2.6
1-3 years	10.2
4-6 years	32.1
7-9 years	13.6
More than 9 years	41.6
Household's share of the rent (%)	
$0 - $200	46.2
$201 - $400	37.1
$401 or more	16.7
During the last 12 months, household was unable to (%)	
Pay rent and utility bills	46.0
Pay telephone bills	26.3
Buy food or prescription drugs	19.3
Sample size	1,160

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

[a]This measure is calculated using administrative data from the New York City Human Resources Administration (HRA) rather than data from the Baseline Information Form.

[b]More than 5 percent of data were missing (7.2 percent) because some respondents did not provide earnings information.

The Opportunity New York City Demonstration: Work Rewards

Appendix Table E.2

Baseline Characteristics of Adults in the Incentives-Only Study, Core Sample

Characteristic	Baseline
Female (%)	84.1
Age (%)	
18-24 years	19.4
25-34 years	18.6
35-44 years	26.5
45-59 years	33.8
60-61 years	1.7
Average age (years)	38
Marital status (%)	
Single	65.8
Cohabitating	0.9
Separated, widowed, or divorced	24.0
Married or in a legal domestic partnership	9.3
Relationship to head of household (%)	
Head of household	81.7
Spouse or legal domestic partner	1.9
Child or parent	15.8
Other	0.5
U.S. citizen[a] (%)	87.1
Race/ethnicity (%)	
Hispanic/Latino	59.4
White, non-Hispanic/Latino	3.8
Black, non-Hispanic/Latino	34.8
Other	1.9
Has an account at bank or credit union (%)	45.3
Has savings (%)	20.0
Has loans (%)	31.1
Education (highest degree or diploma earned) (%)	
GED certificate	9.1
High school diploma	17.7
Some college	19.3
Associate's degree/2-year college	6.4
4-year college or beyond	4.8
None of the above	42.7
Has high school diploma or GED certificate (%)	57.3
Has trade license or training certificate (%)	46.9

(continued)

Table E.2 (continued)

Characteristic	Baseline
Employment measures	
Currently working (%)	54.2
Working full time[b] (%)	37.3
Total weekly earnings (%)[c]	
$0	50.0
$1 - $200	17.6
$201 - $400	25.6
$401 or more	6.8
During past year, average number of months worked among those who worked in past year	10.5
Health measures	
Has physical or emotional or mental health problem that limits work (%)	17.1
Health insurance coverage (%)	
Public health insurance	84.8
Employer health insurance	5.5
Other health insurance	2.7
Not covered	7.0
Over the past 2 weeks, had been feeling down, depressed, or hopeless (%)	22.0
Sample size	1,318

SOURCE: MDRC calculations using Work Rewards Baseline Information Form data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

[a]Refers to U.S. citizens both by birth and by naturalization.

[b]Refers to 30 hours a week or more.

[c]More than 5 percent of data were missing (8.2 percent) because some respondents did not provide earnings information.

The Opportunity NYC Demonstration: Work Rewards

Appendix Table E.3

Four-Year Impacts on Employment and Earnings, by Employment Status at Random Assignment, Incentives-Only Study, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value	Sig.
Not working at random assignment					
Quarterly employment rate (%)					
Year 1	28.8	25.8	3.0	0.260	
Year 2	29.6	26.7	2.9	0.323	
Year 3	31.7	26.9	4.9	0.111	
Year 4	29.7	30.9	-1.3	0.692	
Full period	29.9	27.6	2.4	0.318	
Total earnings ($)					
Year 1	3,001	2,472	529	0.198	
Year 2	3,991	3,502	489	0.413	
Year 3	4,981	4,098	883	0.233	
Year 4	5,100	4,618	481	0.537	
Full period	17,072	14,690	2,382	0.272	
Sample size (total = 598)	295	303			
Working at random assignment					
Quarterly employment rate (%)					
Year 1	66.7	67.4	-0.7	0.740	
Year 2	60.8	62.6	-1.8	0.510	
Year 3	58.7	60.7	-2.0	0.494	
Year 4	56.3	59.0	-2.7	0.397	
Full period	60.6	62.4	-1.8	0.428	
Total earnings ($)					
Year 1	10,985	10,676	309	0.502	
Year 2	10,768	10,287	480	0.460	
Year 3	10,372	10,259	113	0.875	
Year 4	10,839	10,267	572	0.477	
Full period	42,963	41,489	1,474	0.515	
Sample size (total = 709)	353	356			

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

(continued)

Appendix Table E.3 (continued)

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels for impacts for each intervention are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

The Opportunity NYC Demonstration: Work Rewards

Appendix Table E.4

Four-Year Impacts on Employment and Earnings, by Selected Subgroups, Incentives-Only Study, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value	Sig.
Not working and receiving food stamps at random assignment					
Ever employed (%)	63.6	64.9	-1.3	0.748	
Average quarterly employment (%)	29.6	26.8	2.8	0.285	
Total earnings ($)	16,493	13,343	3,150	0.155	
Sample size (total = 492)	249	243			
Working or not receiving food stamps at random assignment					
Ever employed (%)	81.5	79.3	2.2	0.304	
Average quarterly employment (%)	56.6	58.5	-1.8	0.389	
Total earnings ($)	39,845	38,884	961	0.652	
Sample size (total = 815)	399	416			

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records and New York City Human Resources Administration (HRA).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The UI outcome data cover employment and earnings through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for nonworking sample members.

This table includes only employment and earnings in jobs covered by the New York State UI program. It does not include employment outside New York State or in jobs not covered by the UI system (for example, "off the books" jobs and federal government jobs).

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Appendix Table E.5

Impacts on Benefits Receipt, by Employment Status at Random Assignment, Incentives-Only Study, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value	Sig.
Not working at random assignment					
Received TANF/SNA, Years 1-4 (%)	69.8	66.3	3.5	0.324	
Average quarterly TANF/SNA receipt (%)					
Year 1	46.3	46.7	-0.4	0.893	
Year 2	36.4	41.7	-5.4	0.101	
Year 3	32.8	36.7	-3.9	0.242	
Year 4	30.4	33.4	-3.1	0.381	
Full period	36.5	39.6	-3.2	0.240	
Last quarter	33.2	34.0	-0.8	0.847	
Amount of TANF/SNA received ($)					
Year 1	1,928	1,934	-7	0.966	
Year 2	1,774	2,071	-297	0.184	†
Year 3	1,377	1,982	-605 ***	0.008	†††
Year 4	1,435	1,716	-281	0.249	
Full period	6,513	7,703	-1190 *	0.077	†
Last quarter	405	415	-10	0.883	
Received food stamps, Years 1-4 (%)	95.3	94.7	0.6	0.731	
Average quarterly food stamp receipt (%)					
Year 1	85.9	85.5	0.4	0.875	
Year 2	85.9	84.8	1.1	0.695	
Year 3	83.8	84.4	-0.7	0.826	
Year 4	78.3	81.3	-3.0	0.362	
Full period	83.5	84.0	-0.5	0.821	
Last quarter	78.1	80.5	-2.4	0.504	
Amount of food stamps received ($)					
Year 1	3,133	3,314	-181	0.150	
Year 2	3,655	3,680	-25	0.881	
Year 3	3,428	3,674	-246	0.167	
Year 4	3,131	3,343	-212	0.265	
Full period	13,347	14,011	-664	0.236	
Last quarter	780	820	-41	0.420	
Sample size (total = 497)	250	247			
Working at random assignment					
Received TANF/SNA, Years 1-4 (%)	39.3	41.8	-2.5	0.472	
Average quarterly TANF/SNA receipt (%)					
Year 1	17.2	16.5	0.7	0.704	
Year 2	17.8	17.4	0.4	0.847	
Year 3	17.4	17.7	-0.3	0.899	
Year 4	14.9	16.1	-1.2	0.616	
Full period	16.8	16.9	-0.1	0.959	
Last quarter	14.1	17.8	-3.7	0.190	

(continued)

Appendix Table E.5 (continued)

Outcome	Program Group	Control Group	Difference (Impact)	P-Value	Sig.
Amount of TANF/SNA received ($)					
Year 1	735	715	20	0.838	
Year 2	984	818	166	0.229	†
Year 3	931	828	103	0.491	†††
Year 4	737	728	10	0.944	
Full period	3,387	3,088	299	0.458	†
Last quarter	195	202	-6	0.880	
Received food stamps, Years 1-4 (%)	89.6	89.1	0.5	0.836	
Average quarterly food stamp receipt (%)					
Year 1	71.9	75.1	-3.2	0.198	
Year 2	75.5	78.5	-3.0	0.283	
Year 3	75.5	79.0	-3.5	0.216	
Year 4	74.1	75.2	-1.2	0.702	
Full period	74.3	77.0	-2.7	0.249	
Last quarter	72.8	74.6	-1.8	0.590	
Amount of food stamps received ($)					
Year 1	2,924	3,100	-176	0.127	
Year 2	3,577	3,749	-172	0.286	
Year 3	3,399	3,675	-277 *	0.084	
Year 4	3,307	3,282	25	0.886	
Full period	13,206	13,806	-600	0.248	
Last quarter	779	795	-16	0.733	
Sample size (total = 658)	323	335			

SOURCE: MDRC calculations using administrative records data from the New York City Human Resources Administration (HRA).

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The HRA outcome data cover TANF/SNA and food stamp receipt through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

TANF/SNA and food stamp outcomes and impacts are averages among core sample households.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive TANF/SNA or food stamps.

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Appendix Table E.6

Impacts on Household Income, by Employment Status at Random Assignment, Incentives-Only Study, Core Sample

Outcome ($)	Program Group	Control Group	Difference (Impact)		P-Value	Sig.
Not working at random assignment						
Total household income, excluding incentive payments						
Year 1	8,586	8,369	217		0.653	
Year 2	9,946	10,009	-63		0.927	
Year 3	10,154	10,246	-92		0.907	
Year 4	9,828	10,299	-470		0.587	
Full period	38,514	38,922	-408		0.866	
Total household income, including incentive payments						
Year 1	8,753	8,367	387		0.431	
Year 2	10,235	10,006	230		0.741	
Year 3	10,214	10,246	-32		0.968	
Year 4	9,828	10,299	-470		0.587	
Full period	39,031	38,917	114		0.963	
Sample size (total = 497)	250	247				
Working at random assignment						
Total household income, excluding incentive payments						
Year 1	15,663	15,338	325		0.492	
Year 2	16,477	15,750	728		0.288	
Year 3	16,097	15,924	173		0.826	
Year 4	16,469	15,516	953		0.268	
Full period	64,706	62,528	2,179		0.360	
Total household income, including incentive payments						
Year 1	16,375	15,345	1,031	**	0.033	
Year 2	17,370	15,758	1,612	**	0.021	
Year 3	16,205	15,925	280		0.723	
Year 4	16,469	15,516	953		0.268	
Full period	66,419	62,544	3,876		0.106	
Sample size (total = 658)	323	335				

SOURCE: MDRC calculations using administrative records data from New York State unemployment insurance (UI) wage records, the New York City Human Resources Administration (HRA), and Seedco's Work Rewards program data.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The outcome data cover earnings, TANF/SNA, and food stamp receipt data through June 30, 2013, and for 4 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

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Appendix Table E.7

Incentives-Only Impacts on Section 8 Housing and Section 8 Reported Income, by Employment Status at Random Assignment, Core Sample

Outcome	Program Group	Control Group	Difference (Impact)	P-Value	Sig.
Not working at random assignment					
Received Section 8 housing subsidy (%)					
Year 1	96.0	95.2	0.8	0.656	
Year 2	93.0	91.3	1.7	0.479	
Year 3	88.0	87.0	1.0	0.732	
Full period	96.7	96.0	0.7	0.643	
Month 42	80.5	82.1	-1.6	0.645	
Number of months received Section 8 housing subsidy					
Year 1	11.1	11.0	0.1	0.625	
Year 2	10.8	10.6	0.2	0.494	
Year 3	10.2	10.1	0.1	0.716	
Full period	37.0	36.6	0.4	0.661	
Total Section 8 housing subsidy[a] ($)					
Year 1	9,681	9,686	-6	0.980	
Year 2	9,657	9,549	108	0.749	
Year 3	9,240	9,245	-5	0.989	
Full period	33,106	33,083	23	0.981	
Month 42	747	768	-22	0.565	
Sample size (total = 497)	250	247			
Working at random assignment					
Received Section 8 housing subsidy (%)					
Year 1	97.6	97.2	0.4	0.723	
Year 2	94.3	96.2	-1.9	0.237	
Year 3	91.5	92.1	-0.6	0.765	
Full period	97.9	97.8	0.1	0.923	
Month 42	87.6	87.8	-0.2	0.928	
Number of months received Section 8 housing subsidy					
Year 1	11.4	11.6	-0.2	0.342	
Year 2	11.1	11.2	0.0	0.882	
Year 3	10.8	10.7	0.0	0.898	
Full period	38.6	38.7	-0.2	0.810	
Total Section 8 housing subsidy[a] ($)					
Year 1	9,236	9,314	-78	0.652	
Year 2	9,276	9,392	-116	0.615	
Year 3	9,120	9,183	-63	0.828	
Full period	32,191	32,484	-293	0.689	
Month 42	763	769	-6	0.837	
Sample size (total = 658)	323	335			

(continued)

Appendix Table E.7 (continued)

SOURCE: MDRC calculations using data from New York City Housing Authority (NYCHA) Section 8 housing records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

The data cover housing records through June 30, 2012, and for 3.5 years after study entry for each sample member.

Estimates were regression-adjusted using ordinary least squares, controlling for sample members' pre-random assignment characteristics. A two-tailed t-test was applied to the differences between program and control group outcomes. The p-value indicates the likelihood that the difference arose by chance. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent. Statistical significance levels for differences in impacts across subgroups (Sig.) are indicated as follows: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Housing subsidy outcomes and impacts are averages among core sample households.

Rounding may cause slight discrepancies in calculating sums and differences.

Dollar averages include zero values for sample members who did not receive housing subsidies.

[a]The measure reflects the housing subsidy paid by the housing agency to landlords. This amount excludes the utility allowance payment made directly to tenants. A separate analysis of NYCHA data showed that in 98 percent of cases, the subsidy paid to the landlord and total subsidy for a voucher household were exactly the same.

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Appendix Table E.8

Receipt of TANF/SNA, Food Stamps, and Housing Assistance Over Three Years, by Employment Status at Random Assignment, Incentives-Only Study, Core Sample Control Group

Sample and Type of Benefit	Receipt Rate (%)	Average Amount per Household ($)
Core sample		
TANF/SNA	49.6	3,891
Food stamps	90.9	10,658
Housing assistance	97.0	28,393
Total (N=587)	99.5	42,942
Not working at random assignment		
TANF/SNA	64.6	5,989
Food stamps	93.4	10,654
Housing assistance	96.1	28,784
Total (N=247)	99.1	45,426
Working at random assignment		
TANF/SNA	38.3	2,360
Food stamps	88.6	10,507
Housing assistance	97.5	27,815
Total (N=335)	99.7	40,681

SOURCE: MDRC calculations using administrative records data from the New York City Human Resources Administration (HRA) and from New York City Housing Authority (NYCHA) Section 8 housing records.

NOTES: The core sample includes housing voucher recipients who were randomly assigned between January 1, 2008, and January 16, 2009, and excludes elderly individuals, disabled individuals, and individuals who likely belong to the Hasidic community.

Rounding may cause slight discrepancies in calculating sums and differences.

The subgroup sample sizes do not sum to the core sample size because some sample members were missing data on employment status at the time of random assignment.

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Working Toward Self-Sufficiency: Early Findings from a Program for Housing Voucher Recipients in New York City
2012. Nandita Verma, Betsy Tessler, Cynthia Miller, James A. Riccio, Zawadi Rucks, Edith Yang.

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About MDRC

MDRC is a nonprofit, nonpartisan social and education 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 Children's Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- 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.