

What Strategies Work for the Hard-to-Employ?
Final Results of the Hard-to-Employ Demonstration and Evaluation
Project and Selected Sites from the Employment Retention and
Advancement Project

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Overview

In the context of a public safety net focused on limiting dependency and encouraging participation in the labor market, policymakers and researchers are especially interested in individuals who face obstacles to finding and keeping jobs. The Enhanced Services for the Hard-to-Employ (HtE) Demonstration and Evaluation Project was a 10-year study that evaluated innovative strategies aimed at improving employment and other outcomes for groups who face serious barriers to employment. The project was sponsored by the Administration for Children and Families (ACF) Office of Planning, Research and Evaluation in the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor. This report describes the HtE programs and summarizes the final results for each program. Additionally, it presents information for three sites from the ACF-sponsored Employment Retention and Advancement (ERA) project where hard-to-employ populations were also targeted.

Three of the eight models that are described here led to increases in employment. Two of the three — large-scale programs that provided temporary, subsidized “transitional” jobs to facilitate entry into the workforce for long-term welfare recipients in one program and for ex-prisoners in the other — produced only short-term gains in employment, driven mainly by the transitional jobs themselves. The third one — a welfare-to-work program that provided unpaid work experience, job placement, and education services to recipients with health conditions — had longer-term gains, increasing employment and reducing the amount of cash assistance received over four years. Promising findings were also observed in other sites. An early-childhood development program that was combined with services to boost parents’ self-sufficiency increased employment and earnings for a subgroup of the study participants and increased the use of high-quality child care; the program for ex-prisoners mentioned above decreased recidivism; and an intervention for low-income parents with depression produced short-term increases in the use of in-person treatment. But other programs — case management services for low-income substance abusers and two employment strategies for welfare recipients — revealed no observed impacts.

While these results are mixed, some directions for future research on the hard-to-employ emerged:

- The findings from the evaluations of transitional jobs programs have influenced the design of two new federal subsidized employment initiatives, which are seeking to test approaches that may achieve longer-lasting effects.
- The HtE evaluation illustrates some key challenges that early childhood education programs may face when adding self-sufficiency services for parents, and provides important lessons for implementation that can guide future two-generational programs for low-income parents and their young children.
- Results from the HtE evaluation suggest future strategies for enhancing and adapting an intervention to help parents with depression that may benefit low-income populations.
- Evidence from the HtE evaluation of employment strategies for welfare recipients along with other research indicates that combining work-focused strategies with treatment or services may be more promising than using either strategy alone, especially for people with disabilities and behavioral health problems.

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The Authors

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Executive Summary

In the context of a public safety net focused on limiting dependency and encouraging participation in the labor market, policymakers and researchers are especially interested in individuals who face obstacles to securing stable employment.¹ These individuals — including, for example, long-term welfare recipients, people with disabilities, those with mental or physical health problems, and former prisoners — can spend long periods involved in costly public assistance and enforcement systems that provide needed support but often leave them on the economic and social margins of society. The Enhanced Services for the Hard-to-Employ (HtE) Demonstration and Evaluation Project seeks to answer a critical question about this population: how might we improve the prospects of the many Americans who grapple with serious barriers to finding and holding a steady job?

The HtE evaluation was a 10-year study that used rigorous random assignment research designs to evaluate innovative strategies aimed at improving employment and other outcomes for groups who face serious barriers to employment. The strategies were tested in New York, Pennsylvania, Rhode Island, Kansas, and Missouri. The project was sponsored by the Administration for Children and Families (ACF) Office of Planning, Research and Evaluation and the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor.² MDRC led the evaluation along with the Urban Institute, the Lewin Group, Group Health Cooperative, and United Behavioral Health.

This report describes the HtE programs that were tested and summarizes the final results for each program. Similar information is presented for three of the programs in the ACF-sponsored Employment Retention and Advancement (ERA) project — programs that also targeted hard-to-employ populations, operated around the same time, and were evaluated with an identical methodology.³ The inclusion of these ERA results permits an analysis of a wider variety of programs targeting those with serious barriers to finding and holding a steady job. The HtE and ERA programs had a variety of goals, but they all aimed, directly or indirectly, to increase employment and earnings, and most aimed to reduce reliance on public assistance.

¹This paragraph is partially adapted from the Executive Summary of Bloom et al. (2007).

²The Annie E. Casey Foundation and the W. T. Grant Foundation provided funding for an 18-month follow-up survey to study how the model being tested in Rhode Island affects children.

³The ERA project began in 1999. The project evaluated 16 innovative models across the country that aimed to promote steady work or career advancement for current and former welfare recipients and other low-wage workers. For the interim and final results of the ERA evaluations, see Hendra et al. (2010); Martinez, Azurdia, Bloom, and Miller (2009); Bloom, Miller, and Azurdia (2007); LeBlanc, Miller, Martinson, and Azurdia (2007).

While the results from these evaluations are mixed, with impacts on employment for the full sample seen in only three of the evaluations described, some cross-cutting themes and lessons emerged for future directions in research on hard-to-employ populations — not the least of which is that this group of people is diverse and presents a variety of challenges. Among other considerations, these evaluations underscore the need to reexamine assumptions about hard-to-employ people, to modify existing strategies for subgroups of hard-to-employ populations, and, in some cases, to use multiple strategies together rather than implementing only one at a time.

The Programs in the Hard-to-Employ Evaluation

New York City: Center for Employment Opportunities

The Center for Employment Opportunities (CEO) evaluation tested a large-scale transitional jobs program for former prisoners located in New York City. CEO provides transitional jobs — temporary, paid jobs that are subsidized by the program — as well as support services and job placement assistance, with the goal of improving long-term employment outcomes and reducing recidivism. In 2004 and 2005, nearly 1,000 parolees who were referred to CEO by their parole officers were randomly assigned to a program group that was offered the full CEO program or to a control group that was offered limited job search assistance only. The research team tracked both groups for three years using a variety of administrative records. Additionally, a subset of participants completed a survey that focused on service receipt, employment, housing, and other outcomes.

The evaluation found that CEO substantially increased employment early in the follow-up period, when most program group members were working in CEO transitional jobs. However, the employment gains faded as people left the CEO jobs. There were no consistent increases in unsubsidized (non-CEO) employment. Nevertheless, CEO generated reductions in recidivism that were statistically significant (that is, it is unlikely that they occurred by chance), particularly for people who came to the program soon after their release from prison. Mainly as a result of these impacts on recidivism, CEO's financial benefits outweighed its costs.

Kansas and Missouri: Enhanced Early Head Start

The Enhanced Early Head Start (EHS) evaluation tested programmatic enhancements to Early Head Start, an existing two-generation early childhood program. The existing EHS program provides high-needs, low-income families with intensive, child-focused services, parenting education, and services addressing families' social and economic needs to improve children's developmental outcomes. The enhancements to EHS in the HtE study were aimed at improving employment outcomes for parents and increasing family self-sufficiency. The

evaluation took place in two EHS programs operating in rural and suburban locations in Kansas and Missouri. The enhancements included hiring on-site self-sufficiency staff who helped parents develop career plans; develop skills to find and keep jobs; and access training, education, and employment services in the community. In addition, frontline staff were trained to focus more on employment and other economic self-sufficiency issues during their interactions with families. Between August 2004 and December 2006, 610 low-income families who had a child under the age of 3 years or were expecting a child, and who were on the EHS waiting list, were assigned either to Enhanced EHS or to a control group that was not eligible for EHS or Enhanced EHS but could access other services in the community. Both groups were tracked for three and a half years using surveys and administrative records.

The evaluation found that although the sites were able to increase the program focus on employment, education, and other self-sufficiency issues, they were not able to fully integrate the enhancements into the core services. The Enhanced EHS program did not have positive impacts on employment or earnings for the full sample but was more successful among a subgroup of families with infants and pregnant women. The subgroup result should be interpreted with caution because the sample size was small. For the full research sample, Enhanced EHS did have two positive results for child care services: it increased families' use of higher-quality care, such as formal day care center-based care, and it decreased reliance on home-based care provided by people who are not relatives.

Philadelphia: Transitional Work Corporation and Success Through Employment Preparation

The Hard-to-Employ evaluation in Philadelphia tested two different employment strategies for hard-to-employ public assistance recipients. The first service model, administered by the Transitional Work Corporation (TWC), was a transitional jobs program that combined temporary, subsidized employment with work-related assistance (such as job search, job-readiness instruction, and preparation for the General Educational Development exam). The second program, the Success Through Employment Preparation (STEP) program, focused on assessing and treating employment barriers before participants obtained a job. From 2004 to 2006, 1,942 recipients of Temporary Assistance for Needy Families (TANF) who were not currently employed or participating in work activities were randomly assigned to one of two program groups — one that was required to participate in the TWC program and one in the STEP program, or to a control group that was encouraged to participate in work and education activities other than TWC and STEP. The research team tracked all three groups for three years using surveys and a variety of administrative data.

Like other random assignment evaluations of transitional jobs programs, the evaluation found that TWC was able to increase short-term employment and income for a very disadvan-

tagged population, but it did not lead to increases in long-term unsubsidized (that is, regular) employment. The evaluation of the STEP program found no significant impacts on employment, earnings, or public assistance receipt at any time during the follow-up period.

Rhode Island: Working toward Wellness

The Working toward Wellness (WtW) evaluation tested a telephonic care management program in Rhode Island for parents receiving Medicaid who were suffering from symptoms of depression. In the WtW program, care managers used the telephone to provide education about depression, encourage in-person mental health treatment, and monitor treatment adherence and depression outcomes. The goal was to reduce the symptoms of depression and, as a result, to eventually increase employment and earnings. From 2004 to 2006, 499 Medicaid beneficiaries who screened positive for depression were randomly assigned to either a program group to receive WtW services or to a control group that was referred to mental health treatment providers in the community. Both groups were tracked for three years through surveys and Medicaid administrative records.

The evaluation found that care managers were able to engage people with depression on the telephone. Many participated in a structured, short-term, telephonic psychoeducation program designed to educate participants about depression and provide specific steps for managing stress and overcoming depression — and during the one-year intervention period, more program group than control group members received in-person treatment. However, the effects on treatment participation were not sustained, and there were no consistent impacts on depression or employment.

Selected Programs in the ERA Evaluation

New York City: Substance Abuse Case Management

The Employment Retention and Advancement project evaluation of the Substance Abuse Case Management (SACM) program tested the effects of intensive case management services provided to public assistance recipients who were substance abusers, with the aim of helping participants to enter and remain in treatment programs and to connect with welfare-to-work activities. Between 2003 and 2005, 8,800 public assistance recipients were randomly assigned to a program group that was offered SACM services or to a control group that was referred to the usual services provided to public assistance recipients with substance abuse problems. The research team tracked both groups for two years using a variety of administrative data.

The evaluation found that SACM was able to enroll public assistance recipients with substance abuse problems into intensive case management. However, the program showed no

impacts on employment and earnings and no impacts on receipt of public benefits. Overall, employment rates for both groups were very low during the study period. Because individuals entered the study at the point of referral,⁴ prior to being fully assessed for substance abuse, the SACM group included a large segment of individuals who either were not fully assessed or were not in need of treatment and thus were ineligible for program treatment, which may have diluted the program effects.

New York City: Personal Roads to Individual Development and Employment Evaluation

The Employment Retention and Advancement project evaluation of the Personal Roads to Individual Development and Employment (PRIDE) program tested the effects of an employment strategy aimed at public assistance recipients with medical or mental health conditions that prevented them from participating in regular welfare-to-work activities, but who were not eligible for federal disability benefits. Participants received placement assistance into unpaid work, education, and other employment activities that took account of their medical conditions and were designed to help them find paid work. In 2001 and 2002, more than 2,500 single parents who were deemed “employable with limitations” were randomly assigned to a program group that was required to participate in PRIDE, or to a control group that could not enroll in PRIDE but could seek other services. The research team tracked both groups for four years using a survey and various administrative data.

The evaluation found that PRIDE was able to engage a large number of recipients who had previously been exempt from work requirements. PRIDE generated modest but sustained increases in employment throughout the four-year follow-up period and significantly reduced the amount of cash assistance that participants received. While overall employment rates in the program group were still low, the results of the evaluation suggest that providing employment-related assistance to public assistance recipients who have conditions that limit their ability to work, and requiring them to participate in activities, can result in gains in employment.

Minnesota: Tier 2 Evaluation

The Employment Retention and Advancement project evaluation of a welfare-to-work program in Hennepin County, Minnesota, tested an employment services model aimed at addressing the employment barriers of TANF recipients who had remained on the rolls a long time without working and thus appeared most likely to reach the time limit for receiving bene-

⁴The research team selected the point of referral as the time for study entry because that was the best way to ensure randomization.

fits. Since TANF can be provided to individuals for only a limited time, unemployed long-term TANF recipients are in a particularly vulnerable position. The program, known as “Tier 2,” built on the county’s existing welfare-to-work program, Tier 1. Tier 1 requires that recipients participate in work or work-related activities and provides job search and job-readiness assistance followed by unpaid or volunteer work for those who do not find paid work, as well as support services, including job retention and advancement assistance, for working participants. Tier 2 built on Tier 1 by using a more in-depth assessment to identify the barriers to finding work that longer-term TANF recipients face, addressing those barriers through more appropriate referrals to services, and monitoring outcomes closely and decreasing caseload sizes for the staff who work with participants. Between 2002 and 2003, nearly 1,700 individuals who were deemed most likely to meet their benefit-receipt time limit using a number of criteria were randomly assigned to the Tier 2 program or to a control group that remained in the Tier 1 program. The research team tracked both groups for four years using a variety of administrative data. In addition, a survey was administered to a subset of the study sample members about one year after random assignment.

The evaluation found that the Tier 2 program did not increase the use of services that address barriers to employment. Tier 2 participants were slightly more likely than control group members to be involved in supported, unsubsidized employment — that is, jobs for which participants received a wage and were supervised by program staff — and did so for longer periods of time. However, the Tier 2 program, compared with the Tier 1 program, had little effect on employment, earnings, or public assistance receipt over the four-year follow-up period.

Themes, Implications, and Future Directions

As observed above, the results of the evaluations described in this report are mixed. Only three of the eight programs studied — CEO and TWC in the HtE evaluation, and PRIDE in the ERA evaluation — increased employment, and only PRIDE had impacts on regular employment for the full research sample that persisted over the full follow-up period. The other sites increased participation in pre-employment activities and other services that were expected to lead to work, but there were no impacts on employment. Several of the sites did, however, achieve positive results in domains other than employment: reductions in recidivism in CEO that led to favorable benefit-cost results, reductions in TANF payments in PRIDE and in TWC during the first year and a half of follow-up, and increases in the use of higher-quality care options in the EHS sites.

In a demonstration project the primary goal is knowledge building, so just as important as the results themselves is the extent to which the project has generated knowledge that can be used to develop and test new strategies with greater potential to succeed. For example, findings from the HtE and ERA projects suggest that groups who are designated as hard-to-employ do not all face the same challenges in sustaining employment, and these challenges are not always

distinct from those among other low-income groups. For some of the target populations studied (TANF recipients with disabilities and TANF recipients and other lower-income people with substance abuse problems), finding any employment during the evaluation follow-up period meant overcoming a major hurdle. However, in six of the evaluations, between 70 percent and 83 percent of control group members were employed at some point during the follow-up period, rates that are in line with employment rates found by MDRC in other studies of TANF programs that were more broadly targeted. This indicates that for most participants in HtE and in the ERA sites that served groups identified as hard-to-employ, *sustaining* employment was the more frequent challenge. Yet, all of the interventions studied placed more emphasis programatically on services and activities related to job *placement* than job *retention*. Future programs should design employment components that are better matched to the pattern of labor force participation and nonparticipation that is experienced by the target population.

A few of the project's other lessons are examined below.

- **The lessons learned in the HtE demonstration and related research have shaped new national transitional jobs initiatives.**

In addition to the two transitional jobs studies in the Hard-to-Employ project — CEO and TWC — MDRC evaluated four others under the Joyce Foundation's Transitional Jobs Reentry Demonstration (TJRD). Of the six programs that were tested, five targeted ex-prisoners and one targeted long-term TANF recipients.

None of the six programs produced sustained increases in regular, unsubsidized employment, although all of them increased employment and earnings early in the follow-up period when participants were in temporary (subsidized) transitional jobs. In two newer federal projects, ACF's Subsidized and Transitional Employment Demonstration (STED) and the U.S. Department of Labor's Enhanced Transitional Jobs Demonstration (ETJD), a primary goal is to identify and test programs that are different in key ways from the transitional jobs programs that have been evaluated in the HtE and Joyce TJRD projects.

The new approaches are based, in part, on hypotheses about why the transitional jobs programs did not increase long-term employment. For example, while the transitional jobs programs sought to build participants' "soft skills," they did not include much direct occupational training to help participants qualify for higher-paying jobs. The results of the Sectoral Employment Impact Study conducted by Public/Private Ventures suggest that industry-specific training programs can substantially increase employment and earnings.⁵ Thus, STED and ETJD hope to test some programs with a stronger emphasis on training.

⁵Maguire et al. (2010).

Similarly, in the transitional jobs programs, participants were almost always placed at worksites where there was no chance for them to make a direct transition to an unsubsidized job; typically, they worked in a nonprofit organization (sometimes the program sponsor) for a few months and then received help looking for a permanent job. In contrast, STED and ETJD hope to test some models in which participants are placed into subsidized jobs with private employers with the possibility of rolling over directly onto the employer's payroll when the subsidy ends.

A question for both of these strategies is whether they will be able to serve the highly disadvantaged groups that are expected to participate in STED and ETJD, which may include TANF recipients, ex-prisoners returning to the community, low-income noncustodial parents, disadvantaged youth, and people with disabilities.

- **The Enhanced Early Head Start study illustrates some key challenges and provides important lessons that can guide future two-generation programs that attempt to combine self-sufficiency, child development, and parenting goals.**

New models that combine parental employment and educational services with early childhood education services have garnered considerable interest in recent years. The results from the HtE evaluation provide some of the first rigorous evidence of the effectiveness of combined dual-generation, child-focused, and parental employment and educational services for low-income parents and their young children, and therefore provide an important foundation for future research in this area. The results highlight real-world challenges and hurdles that early childhood education programs may face when expanding their services with a proactive focus on parental employment, educational, and self-sufficiency needs. At the same time, the cautionary pattern of findings highlights opportunities and potentially fruitful program models that may be important to test in the future.

A key question is how early childhood educational services and parental employment and educational services can be successfully combined and targeted to reach populations that are most likely to benefit from such services. In the HtE evaluation, because of implementation and engagement challenges, many families who enrolled in Enhanced EHS did not receive the program's parental employment, educational, and self-sufficiency services. One lesson stemming from this finding is that it may be important to revamp strategies used to recruit and engage low-income parents with young children into dual-focused services. Looking forward, a more productive strategy may be to target low-income parents who are already interested in pursuing employment and educational opportunities and then encouraging them to place their children in high-quality early childhood educational services, rather than to target families with children in early childhood programs who are not necessarily interested in pursuing employ-

ment and educational opportunities. A corollary to this suggestion is that it may be promising to identify existing adult employment and secondary education programs that serve low-income parents of young children and then enhance or pair these program services with high-quality early childhood education services.

Furthermore, the HtE evaluation may suggest that a more robust parental employment and educational service approach and staff training in this area are needed to bring about a more successful marriage of dual-generation program services aimed at addressing children’s developmental needs and low-income families’ economic self-sufficiency needs. A cluster of new initiatives has aimed to pair sectoral job training with high-quality education for children.⁶ These new approaches are based on the premise that more focused and formal industry-specific training programs may be more effective at increasing employment and earnings, rather than a “light-touch” approach to addressing parents’ employment and educational needs, as was tested in HtE’s Enhanced Early Head Start evaluation.

- **Despite its modest findings, the Working toward Wellness study provides lessons for trying several enhancements and adaptations that may yield better results.**

Given the barriers faced by individuals in the Rhode Island WtW evaluation to seeking in-person mental health treatment, an alternative might be to combine telephonic care management with telephonic psychotherapy. A recent study within the Group Health Cooperative found that cognitive behavioral therapy plus care management provided by telephone to patients beginning antidepressant treatment reduced depression severity.⁷ It will be important to learn whether this approach is also effective for low-income individuals, such as those receiving Medicaid or TANF benefits.

Social and financial support services to help clients access treatment were not included in WtW, but were an important feature of one rigorously evaluated program that improved depression outcomes for low-income individuals.⁸ Supplemental services, such as transportation and child care, as an enhancement to telephonic care management — though potentially costly — might help overcome the practical barriers to seeking treatment that were found in the WtW study. In addition, using financial incentives to increase participation in treatment is another

⁶For example, CareerAdvance, developed and implemented by the Community Action Project in Tulsa, Oklahoma, is a workforce development program aimed at helping parents of very young children earn sufficient wages to sustain their families. See www.captc.org.

⁷Simon et al. (2004).

⁸Miranda et al. (2006).

enhancement worth considering. A recent study in New York City found that financial incentives for low-income families increased their use of a variety of health care services.⁹

Although there was little effect on depression severity overall in the Rhode Island study, there was a small and marginally significant reduction in the proportion of people with very severe depression. In addition, a widely cited meta-analysis suggests that antidepressant medication treatment is more effective for patients with very severe depressive symptoms.¹⁰ A promising approach worth testing might be to target a telephonic care management intervention to people with the most severe depression.

A majority of study participants in the WtW evaluation had previously been diagnosed with and treated for depression. Although none was in active treatment upon entering the study, the fact that they had previously received treatment and remained depressed might indicate that these participants were unlikely to benefit from increased use of mental health services. This suggests that telephonic care management may have more of an impact among individuals with depression who have not previously received treatment.

Finally, although there is evidence that telephonic care management is a relatively inexpensive means of reducing depression for more affluent populations, existing telephonic care management models may not be intensive or comprehensive enough for low-income populations — in particular, Medicaid participants with children. A study that targeted low-income, minority women who faced multiple barriers to care found promising results.¹¹ However, that intervention was not telephonic. Instead, it offered more intensive, in-person outreach to participating women, and it provided such support services as child care and transportation to facilitate participation in in-person treatment. Viewed alongside the current study, such work may be used to suggest that Medicaid and other low-income populations might require more intensive interventions that extend beyond telephonic care management, possibly including in-person components that address critical barriers to in-person treatment.

- **The evaluation sites that served TANF recipients tended to emphasize either work- or treatment/service-focused strategies. There is emerging evidence that combining both strategies in a more integrated model may be more promising than offering either one alone, especially for people with disabilities and behavioral health problems.**

Two programs, PRIDE and TWC, used unpaid work experience or transitional employment as their primary strategies. The three other TANF programs — STEP, Minnesota Tier

⁹Riccio et al. (2010).

¹⁰Fournier et al. (2010).

¹¹Miranda et al. (2006).

2, and SACM — included some work activities in their service menus but these were usually provided after participants had been assessed and received services or treatment to address their work barriers. Many participants in these programs did not complete assessment or treatment and thus did not make the transition to employment activities.

However, both the work- and service-focused strategies had limited success. As noted previously, although PRIDE had employment effects throughout the follow-up period, many participants lost their jobs quickly, and more than half never worked at all.

Practitioners who work with the disabled population have long argued that balancing work and treatment in an integrated rather than sequential model is more likely to lead to better employment outcomes, over both the short and longer terms, than other approaches. One such model that has been tested in random assignment studies and has produced relatively large and sustained employment impacts is the Individual Placement and Support (IPS) program.¹² This approach differs from any included in this evaluation because it uses a team of co-located clinicians and vocational counselors to coordinate treatment with job placement and retention activities. It also emphasizes rapid entry into regular employment rather than starting with transitional employment or unpaid community work experience.

Thus far the model has only been tested as a voluntary program operating in a variety of community settings for adults with severe mental illness. The Social Security Administration (SSA) is now evaluating IPS more broadly for mentally ill adults who are receiving federal disability benefits. Most recently, it has been adapted for pilot testing for a TANF population with mental health problems in Ramsey County, Minnesota, as part of the ACF- and SSA-funded TANF/Supplemental Security Income Disability Transition Project. The decision to pilot this approach was motivated both by the IPS studies and by the more mixed findings from the HtE evaluation. A key open question is whether the IPS approach will be successful with a less seriously mentally ill population who face TANF mandates and have child care and other family service needs. If the pilot results are promising, it could become the basis for a national multisite random assignment demonstration that would focus primarily on TANF and might include target groups who have a range of health and behavioral health barriers.

¹²Drake et al. (1996, 1999); Gold et al. (2006).

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Chapter 1

Introduction

In the context of a public safety net focused on limiting dependency and encouraging participation in the labor market, policymakers and researchers are especially interested in individuals who face obstacles to stable employment.¹ These individuals may spend long periods involved in costly public assistance and enforcement systems that situate them on the economic and social margins of society. The Enhanced Services for the Hard-to-Employ (HtE) Demonstration and Evaluation Project seeks to answer a critical question about this population: how might we improve the prospects of the many Americans who grapple with serious barriers to finding and holding a steady job?

The Hard-to-Employ evaluation was a 10-year study that used a rigorous random assignment research design in four sites to evaluate innovative strategies aimed at improving employment and other outcomes for groups who face serious barriers to employment. The project was sponsored by the Administration for Children and Families (ACF) Office of Planning, Research and Evaluation and the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services (HHS), with additional funding from the U.S. Department of Labor.² MDRC led the evaluation along with the Urban Institute, the Lewin Group, Group Health Cooperative, and United Behavioral Health.

This report describes the four HtE programs that were tested and summarizes the final results for each program. Additionally, final results are similarly presented for three of the programs in the Employment Retention and Advancement (ERA) project — programs that also targeted hard-to-employ populations, operated around the same time, and were evaluated with an identical methodology.³ The inclusion of these ERA results permits an analysis of a wider variety of programs targeting those with serious barriers to finding and holding a steady job.

¹This chapter is partially adapted from Bloom et al. (2007), Executive Summary and Chapter 1.

²The Annie E. Casey Foundation and the W. T. Grant Foundation provided funding for an 18-month follow-up survey to study how one of the models, which is being tested in Rhode Island, affects children.

³The ERA project began in 1999, when ACF selected MDRC to evaluate a diverse set of ERA models. The project evaluated 16 innovative models across the country that aimed to promote steady work or career advancement for current and former welfare recipients and other low-wage workers. A series of reports describe interim and final results of the ERA evaluations. Hendra et al. (2010) presents the final effectiveness, or impact findings, for 12 ERA models. The final impact findings for three ERA models that were targeted to hard-to-employ individuals — the Substance Abuse Case Management (SACM) program in New York, Personal Roads to Individual Development and Employment (PRIDE) in New York, and the Tier 2 welfare-to-work program in Minnesota — are presented in this report. The Portland Career Builders model, another ERA model targeted to a hard-to-employ population, ceased operations after it became clear that the model's

(continued)

Background and Policy Context

For decades, policymakers have struggled to strike a balance between providing financial assistance to those in need and shaping policies to encourage self-sufficiency. In the 1990s, a renewed focus on decreasing dependency and encouraging work engendered the welfare reform legislation of 1996, which imposed stricter work requirements and time limits for receipt of cash assistance. In response to these new federal requirements, many states shifted the emphasis of welfare-to-work programs away from long-term skill development toward rapid movement into the labor force. In the context of a flourishing economy and new employment services strategies, a large portion of recipients moved off the welfare rolls and caseloads declined precipitously. Despite this success, many individuals remained unable to find steady jobs. These rapid changes to the composition of Temporary Assistance for Needy Families (TANF) caseloads generated a proliferation of interest in how to best assist individuals who are “hard to employ,” whether or not they are already involved in the cash assistance system. For the first time on a large scale, welfare program administrators, policymakers, and researchers began to focus their attention on the many individuals who appeared to face serious challenges to steady employment. Parallel changes were occurring in other systems; criminal justice officials and disability programs began developing strategies to work with the individuals they served who they predicted were least likely to find and keep jobs. Program administrators started seeking answers to the abundant and nuanced questions that emerged as they began to build the capacity to address the wide-ranging needs of the hard-to-employ.⁴

With a spotlight focused on those who were left out of the labor market, researchers identified some groups who were expected to be hard to employ. These individuals include long-term welfare recipients,⁵ individuals with disabilities or mental illness, and ex-prisoners, to name just a few. Conventional wisdom holds that the hard-to-employ populations require special assistance to find and keep jobs. Research suggests that their characteristics — unstable behavioral health problems, very low skills, and criminal records, among others — place them at a disadvantage in a competitive labor market.⁶ To succeed, they may need training in an array of job skills, assistance in searching for a job, or aid in accessing health care or other services.

innovative features could not be implemented, and thus final effectiveness findings are not presented for this model. However, there is an interim report on this model (Azurdia and Barnes, 2008). Reports that discuss in-depth implementation findings and early impact findings for the three ERA models discussed in this report are Martinez, Azurdia, Bloom, and Miller (2009) for SACM; Bloom, Miller, and Azurdia (2007) for PRIDE; and LeBlanc, Miller, Martinson, and Azurdia (2007) for Minnesota Tier 2.

⁴Questions surrounding how to most effectively support the hard-to-employ populations have developed greater pertinence in the context of the poor labor market conditions of the Great Recession and its aftermath. However, the majority of the study and program service provision took place prior to the onset of the recession in 2008.

⁵In this report (and in the literature generally), “welfare” and “TANF” are used interchangeably.

⁶Bloom et al. (2007).

However, the relationship between barriers to steady work and finding employment is a complex one, determined by such factors as the severity, persistence, and number of challenges present; the community, local, and state-level social and economic environments; and an individual's counterbalancing strengths and supports. As a result, the existence of a certain set of characteristics may not be wholly predictive of an individual's ability to find and maintain employment. Addressing and eliminating barriers in this nuanced context is a considerable challenge.⁷

While there exists a keen policy interest in hard-to-employ populations along with a broad understanding of the barriers to stable employment, past research indicates that there is a lot to learn about which strategies produce meaningful and enduring effects for hard-to-employ individuals, and how to effectively situate such approaches within existing systems that aim to serve them.⁸ The Hard-to-Employ Demonstration and Evaluation and the Employment Retention and Advancement project aimed to build on this previous research by evaluating innovative approaches to improve the prospects of populations with significant barriers to stable employment.

The Programs in the Hard-to-Employ Evaluation

Following discussions with HHS and extensive research about the implications of different targeting strategies, program models, and best practices for the evaluation design, the MDRC team recruited four sites to participate in the Hard-to-Employ study. Three of the four participating sites targeted discrete hard-to-employ populations, while the fourth (Kansas and Missouri Enhanced Early Head Start) served low-income parents with very young children, a population with more general barriers to finding and keeping jobs:

- **Center for Employment Opportunities, New York City.** Parolees were placed in temporary paid jobs at work sites around the city for several months and received a variety of other supports, along with job placement assistance.
- **Kansas and Missouri Enhanced Early Head Start.** Aimed at poor pregnant women and parents with children up to three years old, this “two-generation” intervention provided parental employment and economic self-sufficiency services, in addition to high-quality, child-focused services aimed at directly enhancing young children's development.

⁷Butler (2004).

⁸Bloom et al. (2007).

- **Test of alternative employment strategies for welfare recipients in Philadelphia.** Women who had received Temporary Assistance for Needy Families for at least 12 months or who did not have a high school diploma or General Educational Development (GED) certificate were referred to one of two programs: (1) the Transitional Work Corporation, which placed participants in temporary paid jobs and provided a range of supports, or (2) the Success Through Employment Preparation program, which focused on treating participants' barriers to employment before they searched for jobs.
- **Rhode Island Working toward Wellness project.** Parents receiving Medicaid in Rhode Island and who were found to have symptoms of depression received intensive care management via telephone to encourage their participation in in-person mental health treatment.

The Programs in the ERA Project

The three ERA project evaluations presented in this report targeted individuals who were considered “hard to employ” and primarily aimed to move them onto a path toward steady employment. While some ERA models began services after employment, all of the ERA program models presented here initiated services before individuals went to work.

- **New York City Substance Abuse Case Management (SACM).** The program provided intensive case management services to public assistance applicants and recipients who screened positive for signs of substance abuse. Individuals who screened positive were given a mandatory appointment to assess the level of substance abuse treatment needed. Depending on the outcome of the assessment, clients were referred to treatment, employment services, or a combination of both.
- **New York City Personal Roads to Individual Development and Employment (PRIDE).** Welfare recipients who were deemed “employable with limitations” were required to take part in welfare-to-work activities that emphasized unpaid work experience, education, and job placement assistance. However, the program took into account their employment limitations when placing them in activities.
- **Tier 2 program in Minnesota.** Welfare recipients who were in Minnesota's existing “Tier 1” welfare-to-work employment services for a year or longer and hadn't been employed in the previous three months were referred to the Tier 2 program, which focused on assessing barriers to employment and ad-

dressing those barriers through referrals to appropriate services and close monitoring and follow-up.

Study Design

For each program presented in this report, the research teams studied the implementation of the programs and the programs' impacts. Additionally, the study of the Center for Employment Opportunities included a benefit-cost analysis, and the studies of the other three HtE programs included estimates of their financial costs.

Study participants at each site were assigned at random to either a program group, which had access to the program's services, or to a control group, which was not permitted to receive program services but could receive any public services that were normally available. The two research groups together make up the "research sample" or "study sample." A random assignment (experimental) design ensures that there are no systematic differences between the members of the two groups when they enter the study, so that any significant differences (that is, differences that are unlikely to arise by chance alone) that emerge over time between the groups can be reliably attributed to the fact that one group was exposed to the experimental program and the other was not. Such differences are known as impacts, or effects, of the program.

For the Hard-to-Employ project, enrollment of the study participants was completed by December 2006. The research team tracked roughly 4,000 sample members during the follow-up period and gathered data on program implementation and outcomes for members of both the program and control groups.⁹ Data were collected using surveys and administrative records at each site through Quarter 1 of 2010. Reports presenting interim findings were published for each site.¹⁰ Final reports describing the results from each site will be published in 2012.¹¹

⁹The comparisons include everyone assigned to the two groups, including sample members assigned to the program group who do not actually receive services from the experimental program.

¹⁰For the early and interim reports of the Center for Employment Opportunities evaluation, see Bloom, Redcross, Zweig, and Azurdia (2007); Redcross et al. (2009); Redcross et al. (2010); Zweig, Yahner, and Redcross (2010). For the interim report of the Enhanced Early Head Start evaluation, see Hsueh, Jacobs, and Farrell (2011). For the interim report of the evaluation of alternative employment strategies for welfare recipients in Philadelphia, see Bloom et al. (2009). For the early and interim reports of the Rhode Island Working toward Wellness evaluation, see Kim, LeBlanc, and Michalopoulos (2009); Kim et al. (2010).

¹¹For the final report of the Center for Employment Opportunities evaluation, see Redcross, Millenky, Rudd, and Levshin (2012). For the final report of the Kansas and Missouri Enhanced Early Head Start evaluation, see Hsueh et al. (2012). For the final report of the evaluation of alternative employment strategies for welfare recipients in Philadelphia, see Jacobs and Bloom (2011). For the final report of the Rhode Island Working toward Wellness evaluation, see Kim et al. (2011).

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The next seven chapters present each of the Hard-to-Employ evaluations and three of the Employment Retention and Advancement evaluations. Each chapter describes the policy context of the program's strategies and objectives, details of the program's model, the study design, the characteristics of the research sample, the final results from the evaluation of each intervention (unless otherwise noted, all impacts presented are statistically significant), and where available, the costs or benefit-cost analysis of each program. The final chapter discusses cross-cutting themes from the evaluations and lessons for future direction.

For the three "hard-to-employ" program evaluations in the ERA project, the research team tracked more than 13,000 sample members during the follow-up period and compared their outcomes. Enrollment dates of the study participants varied by site, but enrollment was completed for all sites by June 2005. Administrative records data were collected in each site and survey data were collected in two sites. As noted earlier, reports presenting early and interim findings were published for each site, and this report is the only document to present final, extended follow-up findings for each of these three ERA programs.

Chapter 2

New York: Center for Employment Opportunities

This chapter presents the Hard-to-Employ evaluation of the effectiveness of the Center for Employment Opportunities (CEO) employment program for former prisoners, based in New York City.

Background and Policy Context

Former prisoners face a range of challenges to successful reentry into the community, and rates of recidivism are high nationwide. Within three years of release, two-thirds of former prisoners are arrested and more than half return to prison or jail.¹ Recidivism imposes huge costs on taxpayers, families, and communities.² Studies have shown a correlation between higher employment and lower recidivism.³ Positive employment outcomes can help pave the way to better housing conditions and improved relations within the family and community, which may deter former prisoners from criminal activity. “Transitional jobs” programs place participants into subsidized temporary employment and provide other supports and help with finding a permanent job once they are ready. CEO in New York City is one of the nation’s largest and most highly regarded transitional jobs programs for formerly incarcerated people.⁴

Program Description

CEO’s model is based on the assumption that people who are recently released from prison have an immediate need for income and help finding a job. Participants begin with a five-day preemployment class and then are placed immediately into a transitional job in one of CEO’s work crews. Crews of about six participants work in city and state agencies throughout New York City and are supervised by a CEO staff person. Participants work four days per week and are paid daily. The program’s transitional jobs provide stability and income, which may reduce the incentive to turn back to crime in the critical period just after release,⁵ while the soft skills (such as how to behave on the job and arrive on time) and employment experience learned on the work sites may make participants more appealing to employers by demonstrating that the individual was able to perform satisfactorily in the program job. On the fifth day of each week,

¹Langan and Levin (2002).

²Redcross (2010).

³Uggen and Staff (2001).

⁴Redcross et al. (2009).

⁵Langan and Levin (2002); Blumstein and Nakamura (2010).

participants report to CEO's office and meet with job coaches (case managers) and job developers, who work with participants and outside employers to move participants into permanent employment. They can also participate in other services such as a fatherhood program or parenting classes. Finally, the program offers help with finding a permanent job once a participant is considered ready.

Study Design and Sample Characteristics

The CEO evaluation aims to determine whether CEO's transitional jobs and other services are more effective than basic job search assistance. Former prisoners who were referred by their parole officers, reported to CEO,⁶ and agreed to be in the study were randomly assigned to one of two research groups. Individuals who were assigned to the program group were eligible for all of CEO's services, including the preemployment class, the transitional job, job coaching, job development, a fatherhood program, and post-placement services. Individuals who were assigned to the control group began with a shorter version of the preemployment class and were given access to a resource room with basic job search equipment such as computers and fax machines. A staff person was available to assist them with aspects of the job search if needed. Control group members could also access services in the community.

Study enrollment was conducted between January 2004 and October 2005 and resulted in a sample of 977 former prisoners (568 in the program group and 409 in the control group). The research sample was similar in many ways to the parole population in New York City.⁷ The vast majority of sample members were male. Most were black or Latino. On average, sample members were 34 years old when they enrolled in the study. Just over half of the sample had earned a high school diploma or General Educational Development (GED) certificate. About half of the sample had at least one child under age 18, but few lived with any of their children at baseline. Most had worked in the past, but only three out of five had ever worked six consecutive months for a single employer. About one fourth of the sample had worked in a job covered by unemployment insurance (UI) in the year before random assignment. The sample members had extensive histories with the criminal justice system, with an average of about seven prior convictions and a total of five years in state prison. All were under parole supervision when they entered the study.

Most of the people whom CEO serves come to the program either immediately after release from prison or shortly thereafter. However, as a result of contractual obligations, the study targeted a subset of CEO's overall client base; ultimately only 41 percent of the study sample

⁶Referrals by parole officers were not tracked by the program so it is not possible to calculate the percentage of those who reported to CEO among those referred.

⁷New York State Department of Corrections and Community Supervision (2009).

came to CEO within three months after release.⁸ Because the CEO model was designed to serve ex-prisoners just after release, and because most of CEO's broader population fits this profile, the results presented in this report are examined for people who came to CEO soon after release and those who came later.

Key Findings of the CEO Evaluation

The research team tracked all sample members for three years following random assignment using a number of data sources. The CEO program provided information on sample members' participation in program activities. State, city, and federal agencies provided administrative data reporting on criminal justice involvement as well as employment in UI-covered jobs. Additionally, the research team conducted an analysis of program implementation, drawing on observations as well as in-depth interviews with CEO staff and program participants that were conducted between 2004 and 2006.

Key Implementation Findings

- **CEO's program operated as intended during the study period, and most program group members received the core services.** Program tracking and payroll data show that almost 80 percent of the program group completed the initial five-day preemployment class and that, as shown in Table 2.1, 70 percent worked in a CEO transitional job for at least one day. The average time spent in transitional employment was about nine weeks, which generally occurred over about four months of engagement with the program.⁹ About 91 percent of program group members who worked in a transitional job also met with CEO job coaches and job developers at least once. About 44 percent of those who worked in a transitional job were placed into permanent jobs, according to CEO's records.

⁸Graduates of New York State's "Shock Incarceration" program (or "boot camp" graduates) — facilities for young adults that provide shorter incarceration periods than youthful offenders would normally receive but involve strict, military-style discipline and structure — and participants in some other special programs were excluded from the study for contractual reasons. Individuals in these special programs almost always come to CEO just after release. Those in the study sample came to CEO after referral by a parole officer who was not involved in special programs. Parole officers base their referral decisions on a wide variety of concerns and circumstances.

⁹"Weeks worked" may not be consecutive.

The Enhanced Services for the Hard-to-Employ Demonstration and Evaluation Project

Table 2.1

Summary of Impacts, New York City Center for Employment Opportunities

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Employment (Years 1-3) (%)</u>				
Ever employed	83.8	70.4	13.4 ***	0.000
Ever employed in a CEO transitional job ^a	70.1	3.5	66.6 ***	0.000
Ever employed in an unsubsidized job	63.7	69.0	-5.3 *	0.078
<u>Postprogram unsubsidized employment (Years 2-3)</u>				
Ever employed in an unsubsidized job (%)	53.3	52.1	1.2	0.713
Employed in an unsubsidized job, average per quarter (%)	28.2	27.2	1.1	0.618
Employed for six or more consecutive quarters (%)	14.7	11.9	2.8	0.195
Total UI-covered earnings ^b (\$)	10,435	9,846	589	0.658
Sample size (total = 973) ^c	564	409		
<u>Recidivism (Years 1-3)</u>				
Ever arrested ^d (%)	48.1	52.8	-4.7	0.147
Ever convicted of a crime ^e (%)	43.1	48.8	-5.6 *	0.078
Convicted of a felony	10.0	11.7	-1.6	0.419
Convicted of a misdemeanor	34.0	39.3	-5.4 *	0.083
Ever incarcerated in jail or prison ^f (%)	58.1	65.0	-6.9 **	0.027
Total days incarcerated (jail or prison)	173	187	-14	0.392
Ever arrested, convicted, or incarcerated ^g (%)	64.9	70.6	-5.7 *	0.060
Sample size (total = 977)	568	409		

SOURCES: MDRC earnings calculations from the National Directory of New Hires (NDNH) database and employment calculations from the unemployment insurance (UI) wage records from New York State, MDRC calculations using data from the New York State Division of Criminal Justice Services (DCJS) and the New York City Department of Correction (DOC).

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are weighted by week of random assignment and adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

^aCEO transitional employment is estimated using data from NDNH's and CEO's management information systems (MIS).

^bDue to missing earnings data for Year 1, this report includes impacts for only Years 2 and 3.

^cFour sample members are missing Social Security numbers and therefore could not be matched to employment data.

(continued)

Table 2.1 (continued)

^dEach arrest date is counted only as a single event. If there are multiple crimes or charges on the same date, only the most serious charge is recorded in the analysis.

^eA total of 23 convictions were found to be associated with an arrest that occurred prior to random assignment. These convictions are counted in the analysis as occurring after random assignment.

^fIncludes all reasons for incarceration, such as sentences for new crimes, technical violations of parole, detainee (jail), and other admission reasons. A sample member may have multiple admissions; therefore, incarcerations for new crimes and parole violations do not sum to the percentage incarcerated.

^gThis composite measure was created by combining three measures that are not mutually exclusive: arrest, conviction, and incarceration. Participants who were arrested and/or convicted, for example, were also incarcerated. The composite measure represents people who experienced one or more of these recidivism measures.

- **The program group was more likely than the control group to receive specific kinds of employment services, but many control group members got help with job search at CEO or elsewhere.** CEO offered some help with basic job search assistance to control group members but CEO's core program components, including transitional jobs and job development services, were only offered to program group members. In addition, it was expected that members from both research groups might seek out assistance from other organizations in the community.
- **While the program group was substantially more likely than the control group to receive some kind of employment help, such as referrals to specific job openings, the differences between groups were much smaller in other areas, such as advice about job interviews or résumé building.** Responses from a client survey indicated that many control group members received these services from CEO or another organization. Very few control group members worked in a transitional job at CEO,¹⁰ but a small number reported that they worked in similar jobs at other organizations.

Key Impact Findings

- **For the full study sample, CEO substantially increased employment early in the follow-up period, but the impact faded over time as program group members left the transitional jobs.** CEO's largest impacts on employment occurred early in the first year of the study period, when the in-

¹⁰It is difficult to determine precisely how many control group members worked in such jobs, however, because survey responses on this topic do not appear to be accurate. See Redcross et al. (2009) for additional results from the client survey.

creases in employment were driven entirely by the transitional jobs themselves, and the impact faded as program group members left the transitional job. After the first year, employment rates for both research groups were low; only about 30 percent of sample members worked in a UI-covered job in each quarter.

- **CEO reduced convictions for a new crime and incarceration over the three-year follow-up period.** Over the three-year follow-up period, the program group was less likely than the control group to be convicted of a crime and to be incarcerated (Table 2.1). Rates of recidivism were high but they were similar to what has been found in national studies and among parolees released from New York State prisons during the same time frame.¹¹ CEO reduced overall recidivism; 71 percent of the control group experienced some form of recidivism (arrested, convicted, or incarcerated) during the three-year follow-up period compared with 65 percent of the program group.
- **CEO's impacts on recidivism were strongest among those who were recently released from prison. For that subgroup, CEO reduced arrests, convictions, and incarceration during the three-year follow-up period.** As shown in Table 2.2, program group members who were recently released were significantly less likely than the control group to be arrested (49 percent versus 59 percent), convicted of a crime (44 percent versus 57 percent), and incarcerated (60 percent versus 71 percent), with reductions between 10 and 13 percentage points in each of those outcomes.
- **There is some evidence that CEO had positive impacts on some measures of unsubsidized employment for the subgroup who came to the program shortly after release; this pattern was not evident for sample members who came to the program further from release.** As shown in Table 2.2, CEO's effects on postprogram unsubsidized employment were significant only for the subgroup of former prisoners who were recently released from prison, the group that the program was intended to serve. These impacts should be interpreted with caution because sample sizes of the subgroups are relatively small.

¹¹About 10 percent of the control group was returned to prison for a new felony crime. This is very similar to the proportion of parolees released in 2006 from New York State prisons who were returned to prison for a new crime within three years of release. See New York Division of Criminal Justice Services (2010).

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Table 2.2

Summary of Impacts, by Time Between Prison Release and Random Assignment,
New York City Center for Employment Opportunities

Outcome	Length of Time Between Prison Release and Random Assignment								Difference Between Sub- group Impacts ^b
	3 Months or Less				More Than 3 Months				
	Program Group	Control Group	Difference (Impact)	P-Value ^a	Program Group	Control Group	Difference (Impact)	P-Value ^a	
<u>Employment (Years 1-3) (%)</u>									
Ever employed ^c	87.3	72.3	15.1 ***	0.000	82.0	69.1	12.9 ***	0.000	
Ever employed in a CEO transitional job ^d	73.5	-0.9	74.4 ***	0.000	68.3	5.2	63.1 ***	0.000	††
Ever employed in an unsubsidized job	68.9	71.4	-2.5	0.612	59.5	67.9	-8.4 **	0.037	
<u>Postprogram unsubsidized employment (Years 2-3)</u>									
Ever employed in an unsubsidized job (%)	58.3	54.6	3.7	0.472	47.9	51.7	-3.8	0.374	
Employed in an unsubsidized job, average per quarter (%)	33.8	27.5	6.2 *	0.074	24.9	27.1	-2.2	0.444	†
Employed for six or more consecutive quarters (%)	17.9	12.0	5.9 *	0.086	14.3	10.6	3.7	0.199	
Total UI-covered earnings ^{c,e} (\$)	12,385	11,185	1,200	0.582	9,820	8,252	1,568	0.356	
Sample size (total = 926) ^f	223	160			310	233			
<u>Recidivism (Years 1-3)</u>									
Arrested ^g (%)	49.1	59.1	-10.0 *	0.056	47.0	50.5	-3.5	0.420	
Convicted of a crime ^h (%)	44.0	56.7	-12.7 **	0.014	42.7	45.7	-3.0	0.493	
Convicted of a felony	15.6	14.6	1.0	0.789	6.8	10.2	-3.4	0.156	
Convicted of a misdemeanor	31.9	46.1	-14.3 ***	0.005	35.5	36.8	-1.3	0.764	††
Incarcerated in jail or prison ⁱ (%)	60.2	71.3	-11.2 **	0.027	57.1	63.2	-6.1	0.147	
Total days incarcerated (jail or prison)	213	247	-34	0.234	154	151	3	0.872	
Arrested, convicted, or incarcerated ^j (%)	66.8	75.8	-9.0 *	0.063	64.3	70.2	-5.9	0.148	
Sample size (total = 929) ^k	225	160			311	233			

(continued)

Table 2.2 (continued)

SOURCES: MDRC earnings calculations from the National Directory of New Hires (NDNH) database and employment calculations from the unemployment insurance (UI) wage records from New York State, MDRC calculations using data from the New York State Division of Criminal Justice Services (DCJS) and the New York City Department of Correction (DOC).

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are weighted by week of random assignment and adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

^aStandard errors are presented in this report for all impacts with a p-value of 0.000. Following are the standard errors for all impacts with a p-value of 0.000 (presented in the order in which they appear in the table and beginning with the "3 Months or Less" subgroup): Employment: 4.131, 3.691, 3.571, and 3.301. Earnings: 37.772.

^bThe H-statistic test was used to test for statistically significant differences in impact estimates across different subgroups. Statistical significance levels are indicated as: ††† = 1 percent; †† = 5 percent; † = 10 percent.

^cThe earnings difference of \$1,200 is not statistically significant. Notably, the weighted average of the impacts for the subgroups is not equal to that of the full sample. This pattern occurs as a result of regression adjusting and has no effect on the basic impact finding for the earnings outcome. Even when impacts are run unadjusted, the differences do not rise to the level of statistical significance, and the main finding of no impact is unchanged.

^dCEO transitional employment is estimated using data from NDNH and CEO's management information system (MIS).

^eDue to missing earnings data for Year 1, this report includes impacts for only Years 2 and 3.

^fFour sample members are missing Social Security numbers and therefore could not be matched to employment data.

^gEach arrest date is counted only as a single event. If there are multiple crimes or charges on the same date, only the most serious charge is recorded in the analysis.

^hA total of 23 convictions were found to be associated with an arrest that occurred prior to random assignment. These convictions are counted in the analysis as occurring after random assignment.

ⁱIncludes all reasons for incarceration, such as sentences for new crimes, technical violations of parole, detainee (jail), and other admission reasons. A sample member may have multiple admissions; therefore, incarcerations for new crimes and parole violations do not sum to the percentage incarcerated.

^jThis composite measure was created by combining three measures that are not mutually exclusive: arrest, conviction, and incarceration. Participants who were arrested and/or convicted, for example, were also incarcerated. The composite measure represents people who experienced one or more of these recidivism measures.

^kA total of 48 sample members are missing the latest prison release date prior to random assignment and are therefore missing from estimates in this table.

- **Impact results were also examined for other subgroups and the pattern of findings suggests that CEO's impacts were strongest for those who were more disadvantaged and at higher risk of recidivism.** The subgroups with the largest impacts on employment and recidivism include those with four or more prior convictions, those without a high school diploma or GED certificate, and those with a high risk of recidivism (based on a risk index determined by age, number of prior convictions, and other factors).¹ These subgroup impacts are not shown in Table 2.2. Notably, there is some overlap among these subgroups; for example, many of those with four or more prior convictions are also categorized as having a high risk of recidivism.

Benefits and Costs of CEO

The CEO evaluation includes a full benefit-cost analysis to assess the benefits and costs associated with the CEO program. The net cost of providing CEO's services was approximately \$4,800 per program group member, including \$1,000 in direct payments to participants.² CEO's impacts on recidivism and employment translated into economic benefits that outweigh program costs. For the full sample, CEO's total benefits — from reduced criminal justice expenditures, reduced victimization costs, and increased employment — outweighed program costs by over \$4,900 per program group member. Benefits for the full sample outweighed costs 2.1 to 1 from the taxpayer perspective and 2.4 to 1 from the combined perspectives of taxpayers, victims, and participants. For the recently released subgroup, the benefits of CEO outweighed the costs by a larger margin than for the full sample. CEO's total benefits outweighed program costs by about \$10,300 per recently released program group member. Benefits for the recently released sample outweighed costs 3.3 to 1 from the taxpayer perspective and 3.9 to 1 from the combined perspectives of taxpayers, victims, and participants.

CEO's net benefit was larger for the recently released subgroup because CEO's impacts on recidivism were larger for that group. The majority of benefits to taxpayers came in the form of reduced criminal justice system expenditures and the value of services that CEO participants provided to government agencies in the transitional job work sites.

¹A working paper from this evaluation describes the method used to assess a sample member's level of risk. That analysis showed that CEO's impacts on recidivism were larger for those at "high" risk of recidivism when they entered the study. See Zweig, Yahner, and Redcross (2010).

²Redcross et al. (2009) states that the total cost of CEO was \$4,263 per participant. These costs were inflation-adjusted and discounted using a 3 percent annual interest rate (3 percent discount rate and 0 percent inflation) compounded monthly. Therefore, the adjusted cost per participant in this study is \$4,807.

Policy Implications

CEO generated large impacts on initial employment because of the transitional jobs, but the effect faded quickly as program group members attempted to move into unsubsidized jobs, though the program may have improved employment stability later in the follow-up period for some participants. CEO also generated significant reductions in key measures of recidivism. The effects were especially pronounced for the recently released subgroup — the group that the program was designed to serve. CEO's impacts on initial returns to crime were concentrated in the first year of the follow-up period, when program group members were active in the program or shortly after they left. The evaluation produced strong evidence that CEO prevented the first recidivism event after release for some program group members.

Although CEO raised employment dramatically for the full sample in the first year, the impacts on recidivism are concentrated in the subgroup of parolees who were recently released from prison. If there were a straightforward causal relationship between employment and recidivism, corresponding impacts on arrests and other forms of recidivism would be expected in the first year for all sample members and not just for a subgroup.³ As mentioned above, CEO is designed for those who were recently released from prison, so it is not surprising that the impacts are concentrated in that subgroup. However, these findings show that simply providing temporary jobs to parolees will not necessarily result in lower recidivism. The pattern of effects suggests that other aspects of the program model, not just the employment itself, are contributing to the impacts on recidivism.

One hypothesis is that the CEO model — particularly its small work crews — encouraged a mentoring type of relationship to develop between participants and CEO staff, particularly work site supervisors. It is plausible that participants connected in some way to program staff and that these positive influences, in turn, affected participants' attitudes and behaviors. Indeed, survey results show that program group members were more likely than control group members to feel connected with staff.⁴ In addition, the work crew model gives participants the opportunity to interact in a positive environment. Some believe that peer support can be crucial for people to rebuild their sense of community when they have had a disconnecting experience.⁵

Though the precise mechanisms are not clear, participating in CEO during the critical period just after prison release appears to have changed the attitudes and behaviors of partici-

³Employment impacts in Year 1 were similar for the full sample and for those who were recently released.

⁴Redcross et al. (2009).

⁵Mead and MacNeal (2006).

pants, placing them on a different trajectory and deterring future criminal activity.⁶ The CEO program as operated appears to be a cost-effective reentry option. Under a wide range of assumptions, the monetary benefits generated by the CEO program exceed its costs to taxpayers. It will be important to confirm these findings in future studies. In designing future transitional jobs evaluations, it will also be important for policymakers and program operators to consider enhancements to existing models, such as training for specific occupations, extending the time allowed for the transitional jobs, boosting job development and placement, and financial incentives.

⁶See Redcross, Millenky, Rudd, and Levshin (2012), Appendix Table D.3, and Redcross et al. (2009).

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Chapter 3

Kansas and Missouri: Enhanced Early Head Start

This chapter presents the Hard-to-Employ (HtE) evaluation of the effectiveness of enhanced employment and economic self-sufficiency services. The services were provided to low-income parents within a traditional two-generational, early childhood education program — that is, a program that targets both children and their parents. Unlike the other sites of the Hard-to-Employ evaluation and the Employment Retention and Advancement (ERA) project, the Enhanced Early Head Start (EHS) study did not target a population with a discrete barrier to steady employment, such as substance abuse or long-term welfare receipt. Instead, this study tests the effects of a two-generational program on a population that often faces a broad range of obstacles to employment (some of which, in fact, include those addressed by the other HtE and ERA sites), like child care issues, transportation difficulties, insufficient job skills, and so forth.

Background and Policy Context

Infants and toddlers growing up in low-income households are at risk for less favorable developmental outcomes when compared with their more affluent counterparts.¹ This situation has prompted researchers and policymakers to focus attention on strategies that address the developmental risks faced by these low-income children, while also focusing on the needs of their parents, many of whom face barriers to stable employment. This research and policy focus is driven by concerns that the factors that make it difficult for these adults to find and maintain jobs (such as low levels of education, scarce community resources, limited social networks, poor health, chronic stress, family violence, and the like) may overwhelm or preclude efforts to support healthy children.²

Research suggests that a two-generational approach, in which early educational services are offered to children while parents are provided with parenting training and services related to economic self-sufficiency, may have a particularly wide range of positive effects for children's developmental outcomes and parents' financial circumstances.³ However, the evidence to date on the effects of such programmatic approaches has been modest, and effects have generally been short-lived. Further, there is variation in the way that two-generational programs deliver services. Most two-generational programs do not proactively aim to address parents' employment and economic needs, but generally provide services in reaction to economic and employment hardships as they emerge. This approach suggests that there may be opportunities to fine-

¹Duncan and Brooks-Gunn (2000); Duncan, Brooks-Gunn, and Klebanov (1994).

²Danziger, Kalil, and Anderson (2000).

³Shonkoff and Phillips (2000); Olds et al. (1999); St. Pierre, Layzer, Goodson, and Bernstein (1997).

tune these program models in order to bring about significant, longer-lasting change for low-income families across a variety of domains.⁴

Program Description

The Enhanced EHS evaluation builds on earlier research by testing programmatic enhancements to Early Head Start, an existing two-generational early childhood education program, that aimed to proactively address low-income parents' economic self-sufficiency.

Early Head Start is a nationwide program that targets high-needs and low-income families. EHS provides a range of intensive child-focused, parent education, and family development services to promote children's developmental outcomes. Emphasis is placed on directly enhancing young children's physical, behavioral, language, and cognitive development; indirectly supporting young children's well-being by promoting positive parent-child relationships and addressing parents' mental health and families' social service needs; and promoting healthy prenatal outcomes for pregnant women. Services are provided at a center, in the home, or through a combination of center- and home-based services, which are potentially most effective for enhancing young children's developmental outcomes.⁵

For this study, two traditional EHS programs in Kansas and Missouri added formalized programmatic enhancements that aimed to help low-income parents achieve employment or educational goals as a means of improving their families' economic circumstances. The childhood education component in Enhanced EHS and traditional EHS was the same. The evaluation was conducted in two sites. In Girard, Kansas, the Southeast Kansas Community Action Program, Inc. (SEK-CAP) provides EHS services to 12 rural counties of Kansas. Youth-in-Need, Inc., based in St. Charles, Missouri, provides services to four suburban and rural counties surrounding St. Louis. Enhancements included:

1. On-site "self-sufficiency" specialists, who worked with families on parental employment, educational, and other economic self-sufficiency needs like developing career and education plans, working on job search and retention skills, and accessing more specialized employment and training services in the community
2. Efforts to establish formal partnerships with local employment and training programs

⁴U.S. Department of Health and Human Services (2002); Olds et al. (1999); St. Pierre, Layzer, Goodson, and Bernstein (1997); Wasik, Ramey, Bryant, and Sparling (1990).

⁵U.S. Department of Health and Human Services (2002).

3. Further training frontline EHS staff to enhance their skills and competencies related to parents' employment, training, and self-sufficiency goals as needed

Enrolled families were given the option of receiving home-based or center-based services; they could cycle from one service option to the other depending on their needs and availability, but could not receive both home- and center-based service options at the same time.

Study Design and Sample Characteristics

Like traditional EHS services, the Enhanced EHS study targeted low-income pregnant women or families with children under three years of age who had a family income that was at or below the federal poverty level, and were new applicants to Enhanced EHS.⁶ Families who were eligible, were interested in receiving EHS services, and agreed to be randomly assigned were placed on a waiting list in priority order based on their circumstances. When a program slot became available, the top two families on the waiting list were randomly assigned to either the program group, which was eligible to receive Enhanced EHS services, or a control group, which could seek other community services but not Enhanced or traditional EHS services.

Of the total sample (610 families), 86 percent is white, 8 percent is black, and 6 percent identifies as Hispanic or Latino/Latina. Just more than half of participants worked more than 12 months in the three years prior to the study; one-third worked 12 months or less; and 15 percent had not worked at all during that period. More than half of the sample members were single and never married (54 percent) at study entry. About one-third of families were receiving Temporary Assistance for Needy Families (TANF) at random assignment and almost half had ever received TANF. A minority of the sample members were pregnant women (11 percent) or teen parents (12 percent) upon entering the study. Slightly more than half of the children in the sample (53 percent) are male and children were an average of 17 months old at study entry.

In general, the characteristics of the sample population are similar to those of families served by EHS across the United States. However, fewer minority parents and children are enrolled in the study than are typically served by EHS programs (14 percent in this study as opposed to 55 percent nationally). This racial distribution may have bearing on the impact estimates for this evaluation, given that results from the Early Head Start Research and Evaluation Project show larger impacts for children in families with racial and ethnic minority backgrounds.⁷

⁶In some cases, the income requirement can be waived if the child or family has special needs (as determined by the individual EHS program).

⁷U.S. Department of Health and Human Services (2002).

Key Findings of the Enhanced EHS Evaluation

Data were collected using parent surveys administered at approximately 18 and 42 months following random assignment, direct assessments of children’s developmental outcomes, data from the National Directory of New Hires, program participation data, and field research.

Key Implementation Findings

- **The sites were unable to fully integrate the enhancements into core EHS services.** The programs increased their emphasis on employment, education, and self-sufficiency, but were not able to reach everyone in the program. According to program records, 78 percent of families discussed self-sufficiency issues in meetings with EHS staff, but less than half (40 percent) had any contact with the self-sufficiency specialists, who were the main conduits by which the program enhancements were delivered to families.
- **Parents receiving home-based services were more likely than parents receiving center-based services to meet with the self-sufficiency specialist and to participate in other employment and education services.** This was probably because families receiving services at home had more frequent contact with program staff, which provided more frequent opportunities to discuss self-sufficiency issues, and fewer parents in these families were already employed or in school.

Key Impact Findings

Table 3.1 summarizes the estimated impacts of Enhanced EHS on selected outcomes at the 42-month follow-up for the full sample. Table 3.2 summarizes Enhanced EHS’s estimated impacts on selected employment and earnings outcomes at the 42-month follow-up for subgroups of families defined by the age of the focal child at study entry.

- **There were no significant impacts for the full research sample in employment, parenting, or child developmental outcomes at the 42-month follow-up.** At the 18-month follow-up (not shown in table), Enhanced EHS had modest positive impacts on some aspects of parenting and child well-being, but these were not sustained in later periods.
- **Enhanced EHS increased receipt of formal child care in general and decreased the use of home-based care provided by nonrelatives.** As shown in Table 3.1, the effect on time spent in any formal care appears to be driven

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Table 3.1

Summary of Impacts, Kansas and Missouri Enhanced Early Head Start

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Child care use (Months 1-42)</u>				
Any nonparental child care (%)	91.0	87.0	3.9	0.176
Number of months spent in:				
Any nonparental child care	19.5	16.2	3.3 ***	0.007
Any formal care	11.1	7.5	3.6 ***	0.000
Early Head Start/Head Start care	7.8	1.7	6.1 ***	0.000
Other formal care	4.5	6.2	-1.6 **	0.022
Any home-based care	8.6	8.9	-0.3	0.746
Care provided by relative	7.4	6.2	1.3	0.126
Care provided by nonrelative	2.9	4.9	-2.0 ***	0.002
Sample size (total = 455)	229	226		
<u>Maternal employment and earnings^a (Quarters 2-15)</u>				
Ever employed (%)				
Year 1	81.9	79.2	2.7	0.391
Year 2	79.0	80.2	-1.2	0.705
Year 3	78.0	73.4	4.7	0.171
Ever employed, Quarters 2-15 (%)	91.8	89.1	2.7	0.245
Number of quarters employed	8.8	8.7	0.2	0.635
Employed for 8 consecutive quarters (%)	49.2	45.6	3.7	0.346
Earnings (\$)				
Year 1	8,197	7,951	246	0.737
Year 2	9,304	8,881	423	0.600
Year 3	9,819	8,815	1,004	0.263
Total earnings	32,537	30,096	2,442	0.347
Sample size (total = 597)	300	297		

SOURCES: MDRC calculations based on responses to the 42-month survey and the National Directory of New Hires (NDNH) database.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

The sample used in this analysis includes females from two-parent cases (41.3 percent), females from one-parent cases (57.1), and males from one-parent cases (1.5 percent). Thirteen sample members are missing Social Security numbers and therefore could not be matched to employment data.

^aQuarter 1 is the calendar quarter in which random assignment occurred. This quarter may contain some earnings from the period prior to random assignment and is, therefore, excluded from follow-up measures. Accordingly, Year 1, Year 2, and Year 3 are defined as Quarters 2 to 5 after random assignment, Quarters 6 to 9 after random assignment, and Quarters 10 to 13 after random assignment, respectively. Any measures that look over the entire follow-up period include Quarters 2 through 15.

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Table 3.2

Summary of Impacts, by Age of Child, Kansas and Missouri Enhanced Early Head Start

Outcome	Age of Child at Random Assignment								Difference Between Sub- group Impacts ^a
	Infant Group				Toddler Group				
	Program Group	Control Group	Difference (Impact)	P-Value	Program Group	Control Group	Difference (Impact)	P-Value	
Employment									
Ever employed (%)									
Year 1 ^b	82.6	78.9	3.7	0.426	81.7	79.1	2.6	0.551	
Year 2	80.2	82.7	-2.5	0.592	78.3	77.6	0.7	0.872	
Year 3	84.9	71.6	13.3 ***	0.006	73.2	74.3	-1.1	0.823	††
Ever employed, Quarters 2-15 (%)	92.1	93.0	-0.9	0.778	91.7	85.6	6.1 *	0.076	
Number of quarters employed	9.48	8.44	1.0 **	0.050	8.40	8.80	-0.4	0.433	†
Employed for 8 consecutive quarters (%)	59.5	39.3	20.2 ***	0.001	41.5	50.4	-8.9 *	0.092	†††
Earnings (\$)									
Year 1 ^b	7,687	6,696	991	0.260	8,617	9,012	-395	0.727	
Year 2	9,845	7,429	2,416 **	0.017	8,931	10,064	-1,133	0.358	††
Year 3	10,132	7,224	2,908 ***	0.007	9,562	10,187	-625	0.655	††
Total earnings, Quarters 2-15	32,774	25,117	7,657 **	0.015	32,405	34,300	-1,895	0.637	†
Sample size (total = 597)	133	137			167	160			

SOURCE: MDRC calculations from the National Directory of New Hires (NDNH) database.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

The infant group is defined as families with children younger than 12 months at random assignment. The toddler group is defined as families with children 12 months or older at random assignment.

The sample used in this analysis includes females from two-parent cases (41.3 percent), females from one-parent cases (57.1), and males from one-parent cases (1.5 percent). Thirteen sample members are missing Social Security numbers and therefore could not be matched to employment data.

Dollar values include zeroes for sample members who were not employed, unless otherwise noted.

^aThe H-statistic test was used to test for statistically significant differences in impact estimates across different subgroups. Statistical significance levels are indicated as: ††† = 1 percent; †† = 5 percent; † = 10 percent.

^bQuarter 1 is the calendar quarter in which random assignment occurred. This quarter may contain some earnings from the period prior to random assignment, and is therefore excluded from follow-up measures. Accordingly, Year 1, Year 2, and Year 3 are defined as Quarters 2 to 5 post-random assignment, Quarters 6 to 9 post-random assignment, and Quarters 10 to 13 post-random assignment, respectively. Any measures that look over the entire follow-up period include Quarters 2 through 15.

by the increase in the number of months that children spent in EHS/Head Start (HS) formal care (about six months) over the follow-up period.¹

- **There were positive impacts on parental employment and earnings for families with infants and pregnant women at study entry.** However, these results should be interpreted with caution because of the small size of the subgroup samples. Although, as shown in Table 3.2, the program and control groups in the infant subgroup (which includes families with infants and pregnant women) were equally likely to have ever been employed over the course of the follow-up period, the program group had more success in sustaining employment for longer periods of time. This is evidenced by parents being employed for about one quarter more, on average, and being more likely to be employed for at least eight consecutive quarters (by 20.2 percentage points), than their control group counterparts. The program group earned an average of \$7,657 more than the control group over the course of the follow-up period. These findings suggest that positive impacts of Enhanced EHS are more evident among parents with infants and pregnant women at study entry. In contrast, the program had an unexpected negative impact on employment for parents with a toddler at study entry, though it is not clear why this might have occurred. Employment and earnings impacts may have been more positive for the subgroup with younger children because they were engaged in the program for longer periods, were less likely to be employed when they entered the study, and were more likely to have received self-sufficiency services.²

Costs of the Kansas and Missouri Enhanced EHS Programs

The gross costs per sample member were determined by adding together the family development and child-focused services, the non-EHS child care services, and the self-sufficiency enhancements. Inclusion of all three components is important because it represents the costs of all services, including those that were provided apart from the Early Head Start and Head Start programs that have the potential to improve outcomes for parents and children. The 18-month report presents a detailed analysis of the costs of each of the components at the two sites.³

¹On the 42-month survey, respondents were not asked to distinguish between EHS child care and HS child care, as it can be difficult for parents to distinguish between care received across the two sources. Therefore, the impact estimates in Table 3.1 are shown for EHS and HS care combined.

²Hsueh, Jacobs, and Farrell (2011).

³Hsueh, Jacobs, and Farrell (2011). Hsueh, Jacobs, and Farrell (2011) also present the costs for the infant and toddler subgroups.

The net cost per program group member was \$2,179 in SEK-CAP and \$5,885 in Youth-in-Need. The lower net cost per program group member in SEK-CAP was driven by higher participation levels among control group members, which led to higher costs for the control group in SEK-CAP; additional staff have focused on self-sufficiency at the Youth-in-Need site.

Policy Implications

The results illustrate the challenges of integrating enhancements aimed at addressing parents' education, employment, and self-sufficiency needs into a two-generational, early childhood education program that is primarily focused on goals related to parenting, child development, and family interaction. Some of the regular program staff did not feel comfortable discussing employment issues with parents. Some participants were hesitant to pursue employment and educational opportunities because they believed they should spend their spare time at home during their children's early childhood years, a view that staff tended to share, or they felt that they did not need these services because they were already employed. Additionally, not all program staff felt they had the expertise to effectively deliver the enhancements.

Even in the context of implementation difficulties and few effects for the full sample, Enhanced EHS had positive long-term impacts on parental employment and earnings for families who had an infant or who were expecting a child at the outset of service receipt.⁴ This suggests that it may be more effective to target enhancements to parents who are not currently employed and are at home caring for their infant but want to start preparing for entry into employment, or further their education, once their infants are toddler age.

⁴Adapted from Hsueh and Farrell (2012), Executive Summary.

Chapter 4

Philadelphia: Transitional Work Corporation and Success Through Employment Preparation

This chapter presents the Hard-to-Employ evaluation of the effectiveness of two different employment strategies for hard-to-employ public assistance recipients in Philadelphia.

Background and Policy Context

Many welfare recipients face significant barriers to employment, such as physical and mental health problems, substance abuse, and limited employment and educational backgrounds. Until the passage of federal welfare reform in the 1990s, recipients facing such serious barriers to work were often exempt from requirements to participate in job or training activities. The reauthorization of Temporary Assistance for Needy Families (TANF) in 2005 put additional pressure on states and welfare agencies to increase participation of hard-to-employ recipients in work activities. While welfare-to-work programs have been shown to raise earnings for the most disadvantaged populations, these earnings are still considerably lower than those of other groups.¹ The purpose of the study in Philadelphia was to build a knowledge base about special models that target welfare recipients who face serious barriers to employment.

Program Description

The two service models examined in this study approach the goal of increasing the employment and earnings of hard-to-employ welfare recipients in different ways. The first is a transitional jobs model, which provides temporary, subsidized employment combined with education and work assistance. This approach allows program staff to observe participants in the workplace and address problems that could keep them from finding and maintaining regular employment. The second model does not provide subsidized (or any) employment but focuses on assessing and treating barriers to employment up front, before participants move on to regular employment. The intent of the second approach is to give individuals the tools to find and keep jobs once their barriers have been addressed.

The transitional jobs model was operated by the Transitional Work Corporation (TWC), a large adult transitional jobs provider located in urban Philadelphia. After a two-week orientation focusing on job-readiness skills, participants were placed in a transitional job, typically at a

¹Michalopoulos and Schwartz (2000).

government or nonprofit agency. They were officially employed and paid minimum wage by TWC. Recipients were required to work 25 hours per week and to participate in 10 hours of professional development activities at TWC, such as job search and job-readiness instruction, preparation for the General Educational Development (GED) exam, and other classes. TWC also provided job retention services and bonus payments for six to nine months after participants obtained a permanent job.

The program focusing on pre-employment services, the Success Through Employment Preparation (STEP) program, was run by JEVS Human Services (previously Jewish Employment and Vocational Service), a nonprofit social service agency. Unlike TWC, STEP was developed specifically for this study and served only study participants. In the STEP program, outreach staff first conducted home visits to address issues that might keep individuals from participating. Once participants enrolled, the program began with an extensive assessment period to identify their barriers to employment and to develop an individualized treatment plan that included offering services such as life skills classes, GED preparation, support groups, counseling by behavioral health specialists, ongoing case management, and referrals to outside organizations for those with severe barriers. Once barriers had been addressed, participants worked with job developers to find jobs.

Study Design and Sample Characteristics

The study targeted TANF recipients who had received cash assistance for at least 12 months since 1997 (when Pennsylvania's TANF program began) or who did not have a high school diploma or GED certificate, and who were not currently employed or participating in work activities. Recipients who met the study criteria were randomly assigned at four Philadelphia TANF offices into one of two program groups or a control group. Recipients who were assigned to one of the program groups were referred by TANF agency staff to their assigned program — TWC or STEP — and were required to participate. Control group members were encouraged, but not required, to participate in work or education activities (other than TWC and STEP). Random assignment was conducted from October 2004 to May 2006. A total of 1,942 people entered the study with a resulting 486 sample members in the control group, 731 in the TWC program group, and 725 in the STEP program group.

At study entry, sample members were 29 years of age, on average, and most were single mothers. Just over 80 percent are black/non-Hispanic and about 14 percent are Hispanic. Many of the sample members had considerable barriers to employment, including low education levels, limited employment history, and responsibilities caring for young children. About 92 percent of the sample had been employed previously, but two-thirds had worked a year or less in the prior three years. On average, sample members had received 40 months of TANF benefits since 1997.

Key Findings of the TWC and STEP Evaluation

The study tracked the TWC, STEP, and control groups for four years using surveys of study participants and administrative data, including welfare department records and unemployment insurance (UI) quarterly earnings records. The first survey, administered about 18 months after random assignment, targeted sample members in all three research groups, and the second survey, administered about 42 months after random assignment, targeted sample members in only the TWC and control groups; the STEP group was not included in the survey because earlier analysis showed that the STEP program was not producing impacts on employment or other key outcomes.² The TWC and STEP programs provided information on sample members' participation in program activities. Additionally, the research team conducted an implementation analysis, drawing from program observations and staff interviews conducted in 2005 and 2006.

Key Implementation Findings

- **Sixty-two percent of those who were randomly assigned to the TWC group actually enrolled in the program by completing the two-week orientation; half of the full TWC group worked in a TWC transitional job.** Overall, about 11 percent of those who were assigned to the TWC group were never referred to the program by welfare staff (possibly because staff decided they should be exempt from work requirements); 27 percent were referred to the program but either never showed up or did not complete the two-week orientation; and 12 percent completed orientation but never worked in a transitional job. The remaining 51 percent who entered a transitional job worked for about 30 days over about eight weeks, on average. To preserve the integrity of the random assignment design, everyone who was assigned to the TWC group, including those who did not participate in the program, is included in the analysis of impacts, and therefore these results may be diluted.
- **Seventy-seven percent of the STEP group participated in the program, though the average number of hours of participation was low.** Program staff were aggressive about contacting those who were assigned to the STEP group, usually making home visits to introduce the program and begin to identify barriers to participation and employment. However, the program faced some implementation challenges that may have occurred because the

²Jacobs and Bloom (2011); Bloom et al. (2009).

program was new and encountered typical start-up issues or because the program model lacked structure. Ultimately, almost 80 percent of the STEP group enrolled in the program. However, despite the encouragement of staff, sample members did not participate in the program for many hours; on average, those who enrolled attended a total of 68 hours of activities at the program site (plus, in some cases, other activities in the community). This translates into two to three weeks of full-time participation.

- **Program group members were more likely to participate in job search activities (76 percent of TWC and 78 percent of STEP compared with 55 percent of the control group).** Despite the low participation in both the TWC and STEP programs generally, members of both program groups were more likely to participate in job search activities than were control group members in the 18-month follow-up period. Late in the follow-up period, there were no impacts on participation in these activities. In addition, TWC group members were more likely to work in transitional jobs (65 percent compared with 23 percent of the control group over four years).³ There was no difference between groups in participation in education or training activities.
- **A surprisingly large proportion of the control group members participated in welfare-to-work activities.** While the study called for the control group to be exempted from work participation requirements, welfare agency data show that in the first six quarters of follow-up, about 60 percent of the control group enrolled in a welfare-to-work activity while receiving TANF; and in the 18-month survey, 70 percent reported participating in job search, education, training, or unpaid work since entering the study. Many welfare recipients enroll in employment or education activities without being required to do so. However, the participation rates in this study are particularly high, suggesting that some control group members may have been required to participate despite the study design and despite procedures that had been put in place to insulate the control group from participation mandates. It is clear from welfare agency tracking data that very few control group members participated in either TWC or STEP, indicating that this key aspect of the design was administered correctly. Taken together, these findings suggest that this evaluation may be testing the effects of TWC and STEP in comparison

³These measures of transitional jobs include both TWC transitional jobs and transitional jobs run by other organizations associated with the welfare agency. Therefore, these participation rates are higher than those for TWC transitional jobs alone.

with a control group condition that is closer to “business as usual” for the welfare agency than a purely voluntary control group.

Key Impact Findings

- **TWC substantially increased employment in both transitional (subsidized by a program) and regular (unsubsidized) jobs early in the follow-up period, but the impacts faded and there were few differences between groups beyond Quarter 5.**⁴ The employment rate for the control group rose gradually over time, but remained well below 50 percent during any individual quarter throughout the follow-up period, confirming that the study targeted a relatively hard-to-employ population. Indeed, the control group worked in only 6 of the 16 quarters in the follow-up period, on average, as shown in Table 4.1. TWC substantially increased total employment early in the follow-up period, but these impacts faded and there were few significant differences between groups after Quarter 5.

TWC increased unsubsidized employment early in the follow-up period, with the largest impact occurring in Quarter 2, when the TWC group was about 9 percentage points more likely than the control group to be employed in such a job. As with total employment, however, the impact on unsubsidized employment faded after Quarter 5. As Table 4.1 shows, over the four-year follow-up period, the TWC group worked seven-tenths of a quarter more, on average, than the control group. This impact was driven by the transitional jobs, as there was no difference in the total number of quarters worked in an unsubsidized job. There was not a significant impact on earnings.

- **TWC reduced cash assistance receipt early in the follow-up period, but the impacts did not last beyond the middle of the second year, and there was not a significant impact on cash assistance over the four-year follow-up period as a whole.**

TWC reduced receipt of cash assistance early in the follow-up period. However, these impacts, like the employment impacts, faded, and as shown in Table 4.1, there were no significant, four-year impacts on receipt of cash assistance. The TWC and control groups both received cash assistance in about 30 of the 48 months in the follow-up period, for a total of

⁴In this study, the term “unsubsidized jobs” is used to refer to jobs that are recorded in the unemployment insurance earnings data. It is possible that some of these jobs were, in fact, subsidized with public funds (some could have been transitional jobs with organizations other than TWC), but there is no way to distinguish these jobs using the available data.

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Table 4.1

Summary of Impacts, Philadelphia Transitional Work Corporation

Outcome (Years 1-4)	Program Group	Control Group	Difference (Impact)	P-Value
<u>Employment and earnings</u>				
Ever employed ^a (%)	90.1	82.6	7.5 ***	0.000
In a transitional job ^b	64.8	23.1	41.7 ***	0.000
In an unsubsidized job ^c	82.9	79.8	3.1	0.161
Number of quarters employed	6.8	6.1	0.7 ***	0.007
In a transitional job	1.5	0.5	1.0 ***	0.000
In an unsubsidized job	5.8	5.8	0.0	0.998
Total earnings from unsubsidized employment ^d (\$)	16,934	17,173	-239	0.850
<u>Public assistance receipt</u>				
Number of months receiving cash assistance	29.4	29.6	-0.2	0.753
Total cash assistance received (\$)	12,419	12,863	-444	0.251
Number of months receiving food stamps	40.5	41.0	-0.5	0.434
Total food stamps received (\$)	17,597	17,570	28	0.942
Total measured income ^e (\$)	46,826	48,155	-1,329	0.304
Sample size (total = 1,217)	731	486		

SOURCES: MDRC calculations from public assistance records from the Pennsylvania Department of Public Welfare (DPW), and employment and earnings data from the National Directory of New Hires (NDNH) database.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Averages for dollar amounts include zero values for sample members who had no earnings, cash assistance, or food stamp benefits.

^aTotal employment includes both DPW transitional jobs and unsubsidized employment.

^bTransitional employment refers to all transitional jobs recognized by DPW.

^cUnsubsidized employment refers to jobs eligible for unemployment insurance (UI) receipt.

^dTransitional Work Corporation (TWC) group members also earned \$487, on average, from TWC transitional employment. Data on earnings from transitional employment are not available for the control group.

^eThis measure represents the sum of UI-reported earnings, cash assistance, and food stamps. The covariates included in the regression model used to calculate employment-related impacts, including total income, differed from those included in the regression model used to calculate public assistance impacts. As a result, the income from employment, cash assistance, and food stamp measures do not add up exactly to the total income measure.

about \$12,500, on average. Poverty rates remained quite high for both the TWC and control groups through the end of the follow-up period. Combining income from employment and public assistance, sample members in both groups had an income of about \$47,000, on average, over the four-year follow-up period (also shown in Table 4.1). Data from the 42-month survey indicate that about 86 percent of the sample had a total household income that was below the federal poverty level (not shown in table).⁵

- **The STEP program did not have significant impacts on employment, earnings, or welfare receipt.** As shown in Table 4.2, employment and earnings outcomes for the STEP group were almost identical to those for the control group. Likewise, there was not a significant impact on welfare receipt or payment amounts over the follow-up period.

Costs of the TWC and STEP Evaluation

The evaluation includes a cost analysis, presented in detail in the earlier report,⁶ to assess the costs associated with the TWC and STEP programs. The analysis concluded that the cost of providing TWC services was about \$3,500 per TWC group member, including \$700 in direct payments to participants. The cost of providing STEP services was about \$6,600 per STEP group member. This analysis did not attempt to estimate the monetary benefits from participating in TWC or STEP.

Policy Implications

The findings for TWC are consistent with those of other random assignment evaluations of transitional jobs programs, which have shown that while basic, short-term transitional jobs programs succeed in providing short-term income and employment to very disadvantaged populations, they generally do not lead to long-term impacts on unsubsidized employment.⁷ Given this evidence, policymakers and researchers may need to consider testing more enhanced versions of the transitional jobs model. For example, future tests could include enhancements such as extending the period of the transitional job, including vocational training as a core program component, or focusing more on the transition to regular employment by, for example, subsidizing jobs in the private sector or offering stronger financial incentives to participants. The U.S. Department of Labor and the U.S. Department of Health and Human Services have

⁵This is an estimate of poverty based on available data, and it is not an official poverty measure.

⁶Bloom et al. (2009), Chapter 6.

⁷Bloom (2010).

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Table 4.2

Summary of Impacts, Philadelphia Success Through Employment Preparation

Outcome (Years 1-4)	Program Group	Control Group	Difference (Impact)	P-Value
<u>Employment and earnings</u>				
Ever employed ^a (%)	81.3	79.8	1.5	0.499
Number of quarters employed	5.8	5.8	0.0	0.979
Total earnings (\$)	15,647	17,173	-1,526	0.228
<u>Public assistance receipt</u>				
Ever received cash assistance (%)	99.3	99.8	-0.5	0.232
Number of months receiving cash assistance	29.9	29.6	0.3	0.732
Total cash assistance received (\$)	13,019	12,863	156	0.688
Ever received food stamps (%)	99.9	99.8	0.1	0.751
Number of months receiving food stamps	40.6	41.0	-0.4	0.545
Total food stamps received (\$)	17,515	17,570	-54	0.888
Sample size (total = 1,211)	725	486		

SOURCES: MDRC calculations from public assistance records from the Pennsylvania Department of Public Welfare, and employment and earnings data from the National Directory of New Hires (NDNH) database.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Averages for dollar amounts include zero values for sample members who had no earnings, cash assistance, or food stamp benefits.

^aEmployment refers to jobs eligible for unemployment insurance receipt.

initiated and are working collaboratively on new demonstration projects that will build on the lessons from the existing body of evidence on transitional jobs.

The impact findings from the STEP program indicate that its up-front assessments and intensive case management did not lead to significant impacts on employment and earnings or public assistance receipt during the follow-up period. It is possible that the lack of impacts could have resulted from STEP's start-up issues and other difficulties with implementation, and therefore, it is possible that the pre-employment services model could be more effective if implemented differently. However, other evaluations of similar programs are consistent with these findings,⁸ suggesting that it is difficult to affect employment outcomes using this model.

⁸LeBlanc, Miller, Martinson, and Azurdia (2007).

Chapter 5

Rhode Island: Working toward Wellness

This chapter describes the Hard-to-Employ demonstration evaluation of Working toward Wellness (WtW), a telephone care management intervention that was designed to help Medicaid recipients who are experiencing major depression to enter and remain in treatment.

Background and Policy Context

Depression affects recipients of public assistance disproportionately; Medicaid recipients, for example, are twice as likely as their nonrecipient peers to be diagnosed with clinical depression.¹ At the same time, rates of treatment for depression are lower in low-income populations than in more affluent groups.² High rates of depression and low rates of treatment are particularly troubling in disadvantaged communities, as untreated depression can have a negative effect on the ability to seek and maintain employment.³ Studies have shown that with depression treatment, job loss and work-related impairments can be somewhat alleviated.⁴ However, no studies about the effects of treatment on employment have been targeted specifically for low-income, hard-to-employ populations such as Medicaid recipients.

A growing body of literature suggests that telephone care management may be a cost-effective method of alleviating depression and improving employment outcomes among some populations.⁵ Care management for depression is designed to encourage individuals to seek and remain in treatment, comply with treatment protocols, ensure that treatment is in accordance with best-practice guidelines, and educate patients about how to manage their own health conditions. The Work Outcomes Research and Cost-effectiveness (WORC) study — a random assignment test of a telephone care management treatment program developed by Group Health Cooperative (GHC), on which the WtW study is modeled — found that workers who were offered telephone-based care management showed improvement in depression and work productivity outcomes.⁶ Though WORC and other studies of telephone care management programs prior to the WtW evaluation focused on working individuals, a group that is relatively well-off compared with the sample targeted by WtW, such research suggests that reducing

¹Adelmann (2003).

²Gonzalez et al. (2010).

³Danziger et al. (2002).

⁴Mintz, Mintz, Arruda, and Hwang (1992).

⁵Wang et al. (2007); Simon et al. (2004).

⁶Wang et al. (2007).

depression for low-income individuals through a telephonic care management intervention might help them return to work or become more productive at jobs they already hold.

In addition, research has shown that children of clinically depressed parents experience impairments in social behavior and psychological functioning.⁷ Yet, few studies have examined children of depressed parents in the context of poverty.⁸ Given this state of the research, the WtW study also examined how this program affected female participants' children. Based on studies indicating that adolescence is one period in which maternal depression may interfere markedly with development,⁹ this component of the WtW study focused on children between the ages of 8 and 14.

Program Description

The WtW program was developed by Group Health Cooperative, a nonprofit health care system that coordinates care and coverage, and was modeled after the intervention evaluated in the WORC study, described above. The original intervention was adapted to serve populations that were more disadvantaged and harder to reach than the WORC populations. GHC provided technical assistance and training to the care managers (three master's-level clinicians) who delivered the intervention. Care managers were from United Behavioral Health (UBH), a behavioral health care company that helps clinicians and other staff members with behavioral health facilities manage their practices.

At the outset of service provision, the three WtW care managers attempted to recruit participants into the program via telephone, encouraged them to seek treatment, helped them make appointments with mental health professionals, and educated them about depression. Once the participants began treatment, the care managers were generally responsible for assessing clinical and functional outcomes and monitoring adherence to treatment. All contacts between care managers and program participants took place via telephone. Additionally, the intervention model called for care managers to act as liaisons between study participants and mental health treatment providers to directly coordinate patients' care. A structured telephone-based psychoeducational program — also called “the phone program” — was offered as a temporary alternative to engage individuals who resisted seeking treatment or who were unwilling or unable to attend in-person appointments.

⁷Downey and Coyne (1990); Cummings and Davies (1994); Goodman and Gotlib (1999, 2002).

⁸Kessler et al. (2003).

⁹Beardslee (1986); Gelfand and Teti (1990).

Study Design and Sample Characteristics

The intervention targeted Medicaid beneficiaries in Rhode Island who met the following criteria at baseline: (1) were 18 to 64 years of age and living with at least one minor child; (2) screened positive for depression according to the Quick Inventory of Depressive Symptomatology-Self Report (QIDS-SR); and (3) had selected UBH as their Medicaid behavioral health care provider. Those who were found to have depressive symptoms and who agreed to participate were randomly assigned to a program group to receive WtW services, or to a control group to be referred to mental health treatment providers in the community.

Random assignment was conducted between 2004 and 2006. A total of 499 individuals were enrolled in the study, with 245 assigned to the program group and 254 assigned to the control group.

One of the key goals of the WtW intervention was to get people into treatment. Because psychotherapy and antidepressants have been found to reduce depression,¹⁰ it was thought that increased treatment should reduce depression severity. In turn, reducing depression might lead to increased employment.¹¹ If WtW did not have an effect on the use of mental health services, no effects on depression severity should be expected. Likewise, if effects on depression severity are small, an effect on employment is unlikely.

Of the total sample, about 90 percent are women. One-third of the total sample identifies as Hispanic, 12 percent as African-American, and just less than half as white. While 40 percent of participants were married or living with a partner at study entry, 37 percent were single, and 22 percent were divorced, separated, or widowed. On average, participants had two children under the age of 18. About 40 percent of the sample was employed at the time of random assignment. Just over half of participants had received a high school diploma or General Educational Development (GED) certificate at study entry but had not completed further education; about 22 percent of the sample had received a degree from a technical or four-year college; and about 23 percent had no high school diploma or GED certificate. On average, participants were more severely depressed than individuals in previous studies of telephone care management interventions, which, as stated above, were targeted at populations of a higher socioeconomic status.¹²

Also of note is that almost three-fourths of the full sample had received mental health treatment from a professional care provider at study entry, and about 40 percent had received treatment within the past year.

¹⁰Kessler et al. (2003).

¹¹Kessler and Frank (1997); Rost, Smith, and Dickinson (2004).

¹²Wang et al. (2007); Simon et al. (2004).

Key Findings of the Working toward Wellness Evaluation

Follow-up surveys were administered at 6, 18, and 36 months following random assignment. Claims data reflecting participants' use of health services and prescription drugs were collected from UBH. Additionally, the research team conducted an implementation analysis using qualitative data from care managers' case notes and quantitative data from the management information system designed by GHC and used by UBH staff to create a record of all core manager-client telephone contacts. Data for the child study were collected from Medicaid claims data until 24 months of follow-up,¹³ a parent survey, and a youth survey, both fielded at the 36-month follow-up point.

Key Implementation Findings

- **Care managers were able to engage people with depression via telephone.** Care managers successfully contacted 91 percent of the program group members. However, establishing contact was difficult and time-consuming; on average, care managers made contact with program participants once for every three attempts.
- **The psychoeducational “phone program” was a useful alternative tool for engaging those who were not yet willing or able to begin in-person treatment.** For many participants, however, the phone program became an end in itself.
- **Care managers were rarely able to function as liaisons between program participants and clinicians in the community.** Written permission from both participants and clinicians, which was difficult to obtain, was required for care managers to act in this role.

Key Impact Findings

- **During the one-year intervention, more program group members than control group members received treatment for depression, but this impact did not persist beyond the timeframe of the intervention.** While there were modest overall effects on in-person treatment for depression and receipt of psychotherapeutic medications at the six-month follow-up, these impacts disappeared by the end of the intervention. Impacts at the six-month

¹³Results are presented only through 24 months with the health claims data because there is no follow-up data for about one-fourth of the participants beyond 24 months.

follow-up were concentrated among a Hispanic subgroup of sample members, but there were no impacts for this subgroup at the 18- or 36-month follow-up. Table 5.1 shows that telephone care management had a modest effect on increasing the use of in-person treatment over the two-year follow-up period. However, this impact was attributable to effects that occurred during the first 12 months of the intervention and there were no impacts on in-person treatment for depression in the months following the one-year intervention.¹⁴ There were no differences between the program group and control group in filling psychotherapeutic medications by the end of the follow-up period.

- **Though earlier results suggested that there may have been some modest impacts on depression, there were no significant differences in depression severity between the program and control groups at 36 months.** While there were no impacts on average depression score at any follow-up point (as shown in Table 5.1), results at six months following random assignment showed a change in the distribution of depression severity (not shown in table), such that individuals in the program group were less likely to be severely depressed than control group members. This effect was no longer detectable at 18 months. At six months, depression had decreased for a subgroup of Hispanic program group members but this effect was not detected at the later follow-up points. At each follow-up point, there were no significant differences between the overall distributions of depression scores between the program and control groups.
- **There was no difference in employment between the program group and the control group.** Since there were no impacts on depression at the 36-month follow-up point, this result, as shown in the bottom panel of Table 5.1, is not surprising.
- **The Working toward Wellness intervention had few effects on parenting and children’s self-reported health.** There were a few significant differences between the program and control groups on children’s use of medical services, but there was no consistent pattern of benefits for children as a result of their parents’ assignment to the program group (not shown in table). Consistent with the limited impacts on parental depression, the study found no impacts on children’s self-reported mental health.

¹⁴See Kim et al. (2011), Chapter 2 and Appendix Tables A.3 and A.4, for a more detailed discussion of the change in impacts over time.

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Table 5.1

Summary of Impacts, Rhode Island Working toward Wellness

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Use of mental health services^a (Months 1-24)</u>				
Received mental health services (%)	50.8	41.5	9.3 **	0.032
Number of mental health visits	6.7	4.8	1.9	0.154
<u>Prescription medications filled^a (Months 1-24)</u>				
Filled a prescription for psychotherapeutic drugs (%)	63.0	57.4	5.6	0.167
Number of filled prescriptions for psychotherapeutic drugs	5.1	4.4	0.7	0.250
<u>Average depression score, by follow-up point^b</u>				
Average depression score ^c (6 months)	12.5	12.8	-0.4	0.509
Average depression score ^d (18 months)	11.5	12.1	-0.7	0.203
Average depression score ^e (36 months)	11.6	11.9	-0.3	0.609
<u>Employment and earnings^e (Months 1-36)</u>				
Ever employed (%)	70.5	74.0	-3.5	0.408
Currently employed (%)	47.2	50.2	-2.9	0.553
Monthly income (\$)				
Household income	1,843	1,770	73	0.504
Individual income	1,250	1,215	35	0.673

SOURCES: MDRC calculations using United Behavioral Health claims data and data from responses to the 6-, 18-, and 36-month survey.

NOTES: Because the data presented in this table were collected at various follow-up points using a number of different data collection methods, sample sizes vary. Footnotes for each measure or group of measures indicate corresponding sample sizes.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

^aThe sample size for this measure is 499; for the program group, n = 245; for the control group, n = 254.

^bThis measure was calculated using the Quick Inventory of Depressive Symptomatology-Self Report (QIDS-SR), which determines whether the person meets criteria for being diagnosed with major depression over the past seven days. Scores on the QIDS-SR depression scale fall into the following categories: very severe depression (21-25), severe depression (16-20), moderate depression (11-15), mild depression (6-10), no depression (0-5). The QIDS-SR is typically coded such that the scores range from 0 to 27, but in this study the range was limited to 0 to 25 because individuals who answered positively to questions related to suicide were excluded.

^cThe sample size for this measure is 370; for the program group, n = 187; for the control group, n = 183.

^dThe sample size for this measure is 428; for the program group, n = 211; for the control group, n = 217.

^eThe sample size for this measure is 429; for the program group, n = 212; for the control group, n = 217.

Costs of the WtW Program

The research team conducted a cost analysis of the WtW program for the 18-month period following a sample member's entry into the program, with a focus on the costs of program enrollment activities, care management services, and direct health services.

Overall, the net cost of WtW was \$774 per program group member. While the differences in costs for sample members from each research group are in the expected directions, they are not statistically significant and do not support any firm conclusions about the effects of the program on health services costs. Several other trials of care management interventions for depression observed a similar pattern of slightly lower general medical costs among those receiving a care management intervention. While none of those studies found a statistically significant reduction in general medical care costs, all of these studies taken together suggest that increased spending on depression care (through telephone-based or in-person services) may be partially offset by reductions in general medical spending.¹⁵

Policy Implications

The results of this first random assignment study of telephone care management of depression aimed at recipients of Medicaid can provide important lessons to consider before implementing another similar intervention. The evaluation showed that care managers were able to engage participants and encourage them to seek in-person treatment. While there were modest impacts on overall mental health service use during the year-long intervention, maintaining participant engagement and sustaining in-person treatment appears to be challenging.

One plausible reason that there were few impacts on depression is that the sample members were already highly served and, as a result, may have been more likely to agree to participate but less likely to benefit from the intervention. The research team speculated that recruitment methods, such as in-person screenings, may help address this sample problem. On the other hand, a lack of impacts may stem from the abundant life stressors that the participants experienced. Issues related to child care, overarching economic hardship, day-to-day financial worries, and other stressors were pervasive for the participants, and their cumulative impact greatly limited or overwhelmed efforts to seek or remain in treatment, despite engaging with a care manager.¹⁶ Chronic and systemic life stressors are particularly prominent obstacles to treatment for low-income populations, and recruiting individuals who had not been treated for depression previously might have resulted in a group with even greater barriers to treatment.¹⁷

¹⁵Simon, Ludman, and Rutter (2009).

¹⁶Kim et al. (2010).

¹⁷Miranda et al. (2006).

To strengthen the intervention, care managers may need to devote additional resources to aiding participants in overcoming barriers to treatment. This may include greater reliance on telephone counseling as a form of treatment that could be easier for participants to access in the context of chronic stressors. Coordination of participants' care with treatment providers could be a critical factor in effective implementation of a telephone care management intervention. Previous studies of the model, in which care managers acted as liaisons between participants and health care providers, found larger effects.¹⁸ In those programs, care managers were able to work within a single health care system where they were able to freely communicate with all of the client's providers and directly coordinate care. Such a collaborative approach was not possible for the current program because these care managers had to work with providers from different health care systems. For instance, a requirement to obtain written permission from both the client and the provider before attempting to act as a liaison between them became a significant administrative barrier, generally preventing care managers from performing this role.

Overall, while research indicates the effectiveness and low cost of using a telephone care management intervention for reducing depression,¹⁹ the existing model may not be well suited for low-income populations. In-person care management programs with significantly more intensive services (where, for instance, care managers work directly with mental health providers, child care services, and transportation services) have shown promising results in reducing depression among low-income individuals.²⁰ Future interventions aimed at recipients of public benefits may consider an intervention provided within a more intensive care system that extends beyond telephone care management, possibly including in-person components that address critical barriers to in-person treatment. Also, it may be important to better address the myriad needs of this population, such as individual life stressors other than depression and the ways in which those stressors are interrelated to create barriers to getting care.

¹⁸Simon, Ludman, and Rutter (2009); Simon et al. (2004).

¹⁹Simon, Ludman, and Rutter (2009); Simon et al. (2004).

²⁰Miranda et al. (2006).

Chapter 6

New York: Substance Abuse Case Management Program

This chapter presents the final results from the Employment Retention and Advancement (ERA) evaluation of the Substance Abuse Case Management (SACM) program, operated in New York City.

Background and Policy Context

The welfare system in this country has for a long time required participation in work-related activities in order to receive benefits. Until the end of the 1980s, however, a large proportion of welfare recipients were exempt from work-related requirements, either because they had young children or because they had health problems that limited their ability to work. In the early 1990s, many states expanded work requirements to a much broader share of the welfare caseload. Federal legislation in 1996 accelerated this process by requiring states to ensure that a specific proportion of all welfare recipients were working or preparing for work and by limiting most families to 60 months of federally funded assistance under Temporary Assistance for Needy Families (TANF), the main cash assistance program for low-income families with children.

As states began to work with a larger share of the TANF caseload, and as caseloads declined dramatically, many states focused more attention on the substantial barriers to employment facing many people who were on the welfare rolls. Some states developed new employment-oriented programs for welfare recipients who suffer from mental health problems, drug and alcohol abuse, physical disabilities, and other serious behavioral and health problems.

New York City has implemented policies that attempt to ensure that all welfare recipients are engaged in work activities. The city's policies assume that virtually everyone receiving cash assistance should participate in work-related activities, take specific steps to stabilize a medical problem, or apply for federal disability benefits. These regulations apply to both TANF recipients and recipients of Safety Net assistance. Safety Net is a New York State program that serves childless adults and, since 2001, TANF recipients who reach their 60-month time limit on federally funded benefit receipt. As part of this effort, beginning in the late 1990s the city's welfare agency, the Human Resources Administration (HRA), developed a set of tailored programs for cash assistance recipients facing particularly serious barriers to employment. One of these initiatives, the Substance Abuse Case Management (SACM) program, was directed to

recipients who abuse drugs or alcohol.¹ SACM was designed to address the fact that many people with substance abuse problems, particularly low income people, do not remain in treatment long enough to recover, and therefore continue to face significant difficulties finding and maintaining employment.

Program Description

The ERA evaluation of SACM focused on New York City's SACM program in the Bronx, which is operated under contract to HRA by University Behavioral Associates (UBA),² a nonprofit behavioral health management services organization.³ The goal of the program is to assist public assistance clients in their path to drug and alcohol abstinence, self-sufficiency, and employment.⁴ In brief, UBA's program assesses public assistance recipients to determine whether they need substance abuse treatment and, if so, what type of treatment and any other assistance they need; refers them to an appropriate treatment provider; monitors the provision of treatment over time; assists clients in remaining in treatment; and connects clients with welfare-to-work activities as appropriate.

Study Design and Sample Characteristics

The SACM evaluation design took advantage of the automated system that HRA uses to schedule welfare applicants and recipients for substance abuse assessments. Under this process, clients are screened for substance abuse in local welfare offices, and those who are deemed at risk are scheduled for further assessment. In the Bronx, UBA conducts these assessments, but the program has limited capacity. Thus, the scheduling system is designed to refer recipients needing assessment to UBA unless the program's slots are full. When that occurs, recipients who need an assessment are referred to HRA's Substance Abuse Service Center until more slots become available at UBA. After carefully assessing the scheduling system, the researchers concluded that the assignment of clients to UBA (the SACM group, or the program group) or the Substance Abuse Service Center (the group receiving "usual care," or the control group) is essentially random and that recipients assigned to the two programs would likely be comparable on measurable characteristics (like age, marital status, education, and so on) and unmeasurable characteristics (like motivation, tenacity, attitude, and the like). In order to preserve the integrity

¹See Martinez, Azurdia, Bloom, and Miller (2009) for a comprehensive report on the first year and a half of SACM.

²The Substance Abuse Case Management program continues to operate through University Behavioral Associates.

³In New York, HRA contracted with three organizations — one in Manhattan, one in Brooklyn, and one in the Bronx — to deliver case management services to recipients needing substance abuse treatment.

⁴See www.ubacares.org.

of the research design, clients who were referred to the Substance Abuse Service Center during the sample recruitment period could not be re-referred to UBA.

A total of 8,831 public assistance applicants and recipients were referred to SACM and usual care between 2003 and 2005.

The control group services (referred to as the “usual services” in the remainder of this chapter) that were provided to recipients who suffered from substance abuse included many of the same components as the SACM program treatment group, but were less intense and less likely to be coordinated. Thus, the evaluation looks at whether more focused and intensive case management services lead to higher levels of treatment referral, enrollment in treatment services, and ultimately higher levels of employment and reduced benefits receipt relative to usual services. Although there are clear distinctions between the SACM and usual care programs, the evaluation is not comparing SACM with a “no-service” control group. Rather, it is assessing the impact of SACM over and above the effects produced by a usual care program that also sought to refer clients to substance abuse treatment and to enforce a requirement to participate in treatment.

A large majority of sample members were males who were not living with children and who were receiving (or applying for) Safety Net assistance. The proportion of mothers receiving TANF in the sample was quite small (about 5 percent). This difference reflects general differences in substance abuse patterns between the TANF and Safety Net populations. Also, there is anecdotal evidence that mothers are less likely to report substance use because they are concerned about triggering a child welfare investigation. The sample members were relatively old (average age of 38) compared with those in most welfare-to-work studies.⁵ Most had no recent work history. About one-third had been employed in the prior year.

Key Findings of the SACM Evaluation

The study used data provided by the City and State of New York that captures participation in substance abuse treatment as well as each individual’s monthly welfare and food stamp benefits and any employment in jobs covered by the New York State unemployment insurance (UI) program.

Key Implementation Findings

- **The general sequence of services was similar for SACM and usual care clients, but the intensity of services was much greater in SACM. UBA**

⁵Martinez, Azurdia, Bloom, and Miller (2009).

staff assessed the nature and severity of each client's substance abuse issue, made appropriate referrals for treatment, and, when a participant was determined to be nonexempt (that is, no longer required to receive intensive substance abuse treatment services and thus able to engage in employment services), they made a referral to an HRA-contracted employment services provider. This process was similar to the flow through the usual care program. However, the staff conducting the assessments differed. UBA assessment staff were mostly psychologists and clinical social workers, leading to a broader, more clinically focused assessment, whereas the usual care group was assessed by Credentialed Alcohol and Substance Abuse Counselors who tended toward a more functionally focused employability assessment. In addition, once clients were referred to a treatment provider, the level of ongoing staff interaction was much greater at UBA. The average UBA staff member carried a caseload of 40 clients, one-half to two-thirds that of a typical HRA Substance Abuse Service Center eligibility worker. Further, UBA had more frequent and consistent contacts with clients and was more likely to call clients in for both routine reassessments and those triggered by case-specific issues (for example, when clients were suspected of being noncompliant). Staff providing usual care, on the other hand, focused primarily on welfare eligibility issues.

- **The SACM group was more likely than the usual care group to be referred to substance abuse treatment and to enroll in treatment.** As shown in Table 6.1, a modestly higher proportion of the SACM group was referred to a substance abuse treatment program relative to the usual care group (72.9 percent versus 68.6 percent). In addition, those in the SACM group were slightly more likely to enroll in substance abuse treatment programs (64.8 percent) relative to the usual care group (61.3 percent). Although these differences are not very large, in both groups, almost everyone who was assessed and deemed in need of treatment was referred to a treatment provider. Thus, it would have been very difficult for SACM to generate a large impact on treatment referrals.

One reason why the SACM group was somewhat more likely to be referred to treatment is that UBA staff were more likely than their counterparts in usual care to assess individuals as being in need of substance abuse treatment.

The Employment Retention and Advancement Project

Table 6.1

Summary of Impacts, New York City Substance Abuse Case Management

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Implementation outcomes (first 18 months)</u>				
Referred to substance abuse treatment (%)	72.9	68.6	4.3 ***	0.000
Enrolled in substance abuse treatment (%)	64.8	61.3	3.5 ***	0.000
Referred to HRA employment programs (%)	43.9	40.8	3.1 ***	0.003
<u>Employment and earnings (Years 1-2)</u>				
Ever employed (%)	42.3	40.7	1.6	0.104
Number of quarters employed	1.4	1.4	0.1	0.151
Employed 4 consecutive quarters (%)	12.3	12.2	0.0	0.959
Total earnings ^a (\$)	3,983	3,687	296 ^a	NA
<u>Public assistance receipt (Years 1-2)</u>				
Ever received cash assistance (%)	80.2	80.2	0.0	0.979
Number of months receiving cash assistance	9	9	0	0.279
Total cash assistance received (\$)	3,176	3,244	-68	0.436
Ever received food stamps (%)	93.2	93.6	-0.5	0.359
Number of months receiving food stamps	13	13	0	0.368
Total food stamps received (\$)	2,102	2,132	-31	0.358
Total measured income ^{a,b} (\$)	9,260	9,063	197 ^a	NA
Sample size (total = 8,800)	4,655	4,145		

SOURCES: MDRC calculations from public assistance records from New York City, unemployment insurance (UI) wage records from the State of New York, and action code data from the New York City Work, Accountability, and You (NYCWAY) system.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Averages for dollar amounts include zero values for sample members who had no earnings, cash assistance grants, or food stamp benefits.

^aThis difference is not tested for statistical significance because the UI earnings data were provided as group averages and the number of groups was too small.

^bThis measure represents the sum of UI-covered earnings, cash assistance, and food stamps.

- **SACM led to a small increase in the proportion of the sample referred to an employment program.** As Table 6.1 shows, about 44 percent of the SACM group and 41 percent of the usual care group were referred to HRA welfare-to-work programs (“employment programs” in the table). The increase could be a result of differing initial assessment results across the two groups. Another possibility is that SACM was better at helping exempt participants make the transition through substance abuse treatment programs and into welfare-to-work activities.

Key Impact Findings

- **SACM had no effect on UI-covered employment during a two-year follow-up period. Overall employment levels were relatively low compared with a typical public assistance population.** As shown in Table 6.1, SACM had no statistically significant effect on employment relative to the usual care group. Forty-two percent of the SACM group worked in a UI-covered job at some point over the two-year follow-up period, compared with an employment rate for the usual care group of 41 percent. Earnings data, provided as group averages, were not tested for statistical significance. However, the difference between the groups in average UI-covered earnings was only about \$300 over the two-year follow-up period.
- **SACM had no effects on benefits receipt,** as shown in Table 6.1.

Policy Implications

Evaluations that include a large segment of sample members who are ineligible for the program treatment may dilute or obscure program effects. As is true in many studies in which individuals enter the research at the point of referral rather than at the point of program participation, the research sample for this study included people who received few or no services from either the SACM or the usual care program. Overall, about 23 percent of the SACM group never completed an initial assessment at UBA, and another 9 percent were assessed but were found not to need substance abuse treatment.

Programs that can serve clients only while they receive welfare benefits may struggle to sustain engagement when clients move on and off of welfare, sometimes as a result of sanctions for noncompliance with program requirements. Large percentages of sample members in both groups left welfare during the study period — often because they were sanctioned for failing to comply with substance abuse treatment or other HRA requirements — and many cases closed and opened several times. This pattern of caseload “churning” often interrupted UBA’s follow-up with clients because SACM services were generally provided only to individuals with an open welfare case.

Chapter 7

New York: Personal Roads to Individual Development and Employment

This chapter presents the final results of the Employment Retention and Advancement (ERA) evaluation of the Personal Roads to Individual Development and Employment (PRIDE) program, operated in New York City.¹

Background and Policy Context

New York City's PRIDE program expands knowledge about increasing the share of welfare recipients who are engaged in work. Like New York's Substance Abuse Case Management program, discussed in Chapter 6, PRIDE was one of the programs that the city's Human Resources Administration (HRA) developed to engage welfare recipients who face barriers to employment. Specifically, PRIDE sought to move into employment people who were, in NYC HRA terminology, "employable with limitations" — that is, people who, according to an HRA medical evaluation, were deemed to have medical or mental health conditions that were too severe to allow participation in regular welfare-to-work activities, but not severe enough to make them eligible for federal disability benefits.

PRIDE operated from 1999 to 2004, serving more than 30,000 people. In 2004 it was replaced by a new program, WeCARE, which builds on the PRIDE model.

Program Description

Managed by the city welfare department and other public agencies and operated under contract by nonprofit organizations with experience serving individuals with disabilities, PRIDE started with an in-depth assessment of participants' work and education history and their medical conditions. PRIDE's employment services were similar to those in New York's regular welfare-to-work program — emphasizing unpaid work experience, education, and job placement assistance — but, in PRIDE, staff tried to ensure that participants were assigned to activities that

¹In-depth information about New York PRIDE is available in Bloom, Miller, and Azurdia (2007), which includes findings from implementation research, 12-month survey data, and an economic impact analysis covering the two years following random assignment. The current report includes new economic impact findings that extend the follow-up period by two years, to a total of four years following random assignment.

took account of their medical conditions (most commonly orthopedic problems, mental health conditions, asthma, or high blood pressure).

Study Design and Sample Characteristics

As explained above, PRIDE was designed for recipients who were deemed “employable with limitations.” PRIDE served both recipients of Temporary Assistance for Needy Families (TANF) benefits, who were single parents, and childless adults, who received assistance through the state and locally funded Safety Net program — a New York State program that serves childless adults and, since 2001, TANF recipients who reach their 60-month time limit on federally funded benefit receipt. This summary of findings focuses on PRIDE’s impacts for single parents.

More than 2,600 single parents were assigned, through a lottery-like process, to the PRIDE group, which was required to participate in the program in accordance with citywide rules, or to a control group, which was neither required nor permitted to participate in PRIDE, but could seek out other services.² Control group members could have been required to participate in work activities during the study period if their status changed to “nonexempt” (that is, if their medical condition improved) — as would have been the case under prior TANF rules. Random assignment was conducted from December 2001 to December 2002.

Similar to the New York SACM evaluation, the single-parent sample members were considerably older in the PRIDE evaluation than most sample members in the ERA evaluation and in other welfare-to-work studies,³ which may reflect the higher incidence of health problems with age; the average age was 39, and over 40 percent of this group was older than age 41. Consistent with their age profile, this sample also had older children; most had no children who were younger than six years of age. They also had more children than the typical welfare recipient family; 30 percent had three children or more. Single parents with several children may have more difficulty working steadily, or they may find the child care costs that are associated with work to be prohibitive, resulting in longer stays on welfare.

Most of the sample members (that is, the program and control groups) are either Hispanic or black. Most also reported living in unsubsidized rental housing at study entry, although a substantial share reported living in temporary or emergency arrangements. Finally, few had recent work experience at the time of random assignment, at least in formal jobs covered by the

²The study required that the control group be embargoed from PRIDE or similar programs that are available through HRA for at least 36 months.

³Bloom, Miller, and Azurdia (2007).

unemployment insurance (UI) system. Only one-fifth of single parents, for example, worked in a UI-covered job during the year prior to random assignment.

Key Findings of the PRIDE Evaluation

MDRC tracked both the PRIDE group and the control group using data provided by the City and State of New York that show each individual's monthly welfare and food stamp (and Supplemental Nutrition Assistance Program) benefits and their employment in jobs covered by the New York State UI program for four years following random assignment.⁴ In addition, a survey was administered to a subset of PRIDE and control group members about one year after they entered the study.

Key Implementation Findings

- **Despite some operational difficulties, the program identified and engaged a large number of public assistance recipients who had previously been exempt from work requirements.** At the same time, a large proportion of the PRIDE group — about one-third — was sanctioned (that is, they had their welfare benefits reduced) as a penalty for noncompliance, far higher than the control group figure of about 8 percent. HRA data show that about half of the PRIDE group was assigned to a PRIDE employment activity within two years after study entry. Many of the others were later reevaluated and found to be fully employable (and, presumably, were assigned to regular welfare-to-work activities), while others were fully exempted. This pattern of changing statuses reflects the reality of working with individuals who have chronic medical conditions that wax and wane over time. HRA data show that about 76 percent of the PRIDE group was considered to be noncompliant at some point within two years after random assignment. Most of these instances of noncompliance related to PRIDE requirements, so it is not surprising that the corresponding figure for the control group was much lower, at about 24 percent.⁵
- **The PRIDE group was substantially more likely than the control group to participate in “work experience placements” and job search activities,**

⁴“Work experience placements” — subsidized or unpaid work — are not covered in the UI system.

⁵The proportion of people sanctioned who were noncompliant is higher (percent sanctioned divided by percent noncompliant) for the control group compared with the PRIDE group. The PRIDE group may have been better equipped to avoid sanctions because, unlike the control group, they were working with a case manager to become compliant again.

two of the main components of PRIDE. According to data from the 12-month survey, about 41 percent of the PRIDE group reported that they had participated in a job search activity in a group setting since study entry, and, as Table 7.1 shows, 33 percent reported that they had worked in a work experience (subsidized or unpaid work) position. The corresponding figures for the control group were 20 percent and 13 percent, indicating that PRIDE substantially increased participation in both types of activity. Interestingly, although educational activities were intended to be a core feature of the program, the PRIDE group was no more likely than the control group to report that they had participated in education or training.

Key Impact Findings

- **PRIDE generated increases in employment throughout the four-year follow-up period.** The middle panel of Table 7.1 shows that 45 percent of the PRIDE group worked in a UI-covered job within four years after entering the study, compared with 40 percent of the control group. The difference in employment materialized in the first year following random assignment and persisted through the end of the four-year follow-up period (not shown). While it is impressive that PRIDE was able to increase employment for a very disadvantaged target group, over half of the PRIDE group never worked in a UI-covered job during the four-year follow-up period. Although the earnings effects could not be tested for statistical significance because UI earnings data were provided as group averages and the number of groups was too small to provide a fair test, the data suggest that the program may have increased earnings, as the PRIDE group increased earnings by 22 percent compared with the control group over the four-year follow-up period.

PRIDE's employment impacts for single parents were concentrated among individuals who had received welfare benefits for fewer than 60 months before entering the study. There were no employment impacts for single parents who had received more than 60 months of assistance as of study entry (results not shown). This shows that the PRIDE program was not effective for those who may have been at a greater disadvantage in finding employment.⁶

⁶Federal law limits most families to 60 months of federally funded assistance, but New York, like several other states, does not impose time limits on benefit receipt. Instead, most families who receive benefits for 60 months are transferred to the state- and locally funded Safety Net program. The analysis found that PRIDE did not increase employment for single parents who had made the transition to the Safety Net program before study entry.

The Employment Retention and Advancement Project

Table 7.1

Summary of Impacts, New York City Personal Roads to Individual Development and Employment

Outcome	Program Group	Control Group	Difference (Impact)	P-Value
<u>Implementation outcomes (Year 1)</u>				
Ever had contact with staff/employment program (%)	43.6	25.7	17.8 ***	0.000
Average number of contacts with staff	4.2	1.4	2.9 ***	0.000
Talked with staff in past 4 weeks (%)	14.1	6.3	7.7 ***	0.001
Participated in any employment-related activity ^a (%)	58.6	39.8	18.8 ***	0.000
Participated in subsidized or unpaid work (%)	32.8	13.4	19.4 ***	0.000
Participated in a job search activity (%)	51.2	36.1	15.1 ***	0.000
Participated in an education/training activity ^b (%)	31.5	26.5	5.0	0.133
Sample size (total = 756)	379	377		
<u>Employment and earnings (Years 1-4)</u>				
Ever employed (%)	45.1	39.6	5.5 ***	0.003
Number of quarters employed	3.0	2.5	0.5 ***	0.002
Employed 4 consecutive quarters (%)	24.9	20.4	4.5 ***	0.005
Total earnings ^c (\$)	9,973	8,163	1,810	NA
<u>Public assistance receipt (Years 1-4)</u>				
Ever received cash assistance (%)	99.6	99.5	0.1	0.722
Number of months receiving cash assistance	35.8	37.4	-1.6 ***	0.005
Total cash assistance received (\$)	19,068	20,556	-1,488 ***	0.000
Ever received food stamps (%)	99.7	99.3	0.4	0.149
Number of months receiving food stamps	40.1	40.9	-0.7	0.110
Total food stamps received (\$)	11,620	11,797	-177	0.342
Total measured income ^{c,d} (\$)	40,661	40,515	145	NA
Sample size (total = 2,645)	1,552	1,093		

SOURCES: MDRC calculations from responses to the ERA 12-month survey, unemployment insurance (UI) wage records from the State of New York, and public assistance records from New York City.

NOTES: Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; and * = 10 percent.

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Averages for dollar amounts include zero values for sample members who had no earnings, cash assistance grants, or food stamp benefits.

^aEmployment-related activities include job search activities, unpaid jobs, and on-the-job training.

^bThis measure includes participation in any of the following activities: English as a Second Language (ESL) instruction, adult basic education (ABE) or General Educational Development (GED) classes, college courses, or vocational training.

^cThis difference is not tested for statistical significance because the UI earnings data were provided as group averages and the number of groups was too small.

^dThis measure represents the sum of UI-reported earnings, cash assistance, and food stamps.

- **PRIDE significantly reduced the amount of TANF cash assistance that families received; this reduction occurred both because the program increased employment and because it sanctioned many recipients for failing to comply with program rules.** The bottom panel of Table 7.1 shows that the PRIDE group received \$1,488 (about 7 percent) less in cash assistance than the control group over the four-year study period. Like the employment gains, the cash assistance reductions began in the first year following random assignment and continued throughout the four-year follow-up period. However, the program did not decrease the percentage of people receiving TANF; rather, it only decreased the amount they received. At the end of the four-year period, most of the PRIDE group — 78 percent — were still receiving welfare (not shown). Although the welfare savings were almost certainly driven in part by employment gains, some of the welfare savings were driven by sanctioning; there were welfare reductions for subgroups of single parents who experienced no employment gains — most notably, for single parents who had received more than 60 months of assistance before entering the study. New York does not use full family sanctions (which cancel a family’s entire welfare grant) to enforce work requirements in its TANF program; rather, recipients’ grants are reduced in response to noncompliance. Thus, it is not surprising that the receipt rates stayed the same while the welfare amount decreased.

Policy Implications

The results presented here show that it is possible to mount a large-scale service program for public assistance recipients who have work-limiting medical conditions. PRIDE served large numbers of recipients who had previously been exempt from work requirements, and generated modest but sustained increases in employment and substantial welfare savings. The study also suggests that there were sizable earnings increases for those in the PRIDE program, although the earnings effects could not be tested for statistical significance. However, most of the people who were targeted for PRIDE did not work or leave welfare during the study period and there were no employment gains for those with the longest histories of welfare receipt. Moreover, at least a portion of the welfare savings were driven by sanctioning, which likely reduced the income of many families. Finally, because it required highly specialized assessment and employment services and linkages among several state and local agencies, PRIDE was complicated to administer. These results suggest that employment and earnings gains can be achieved for those with work-limiting conditions.

The PRIDE results are also of interest because this is the first rigorous evaluation in many years of a welfare-to-work program that made heavy use of unpaid work experience. However, the study was not designed to isolate the impact of this activity. PRIDE increased participation in both work experience and job search activities, and it is impossible to determine how much each type of activity contributed to the overall results. Previous studies have shown that mandatory job search assistance, by itself, can produce impacts of similar magnitude to those achieved by PRIDE.⁷

⁷The Los Angeles Jobs-First GAIN Evaluation (Freedman, Knab, Gennetian, and Navarro, 2000) and the Riverside Labor Force Attachment program from the National Evaluation of Welfare-to-Work Strategies evaluation (Hamilton et al., 2001) are examples of job search assistance programs with a similar magnitude of employment impacts to the New York PRIDE program, where work experience was not a major part of the program.

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Chapter 8

Minnesota: Tier 2 Program

This chapter presents the final results of the Employment Retention and Advancement (ERA) evaluation of Minnesota’s “Tier 2” welfare-to-work program, based in Hennepin County.¹

Background and Policy Context

The Minnesota ERA evaluation targeted a segment of the Temporary Assistance for Needy Families (TANF) caseload in Hennepin County, Minnesota, that had been assigned to the county’s welfare-to-work services for one year or longer and had not worked in at least three months. While welfare caseloads in Minnesota declined by 20 percent in the three years following the inception of the statewide welfare program² — the Minnesota Family Investment Program (MFIP) — program administrators found that a significant fraction of recipients remained on the rolls for a long time without working. For example, about 70 percent of the research sample received TANF cash assistance for two to four years prior to study entry and more than 15 percent had not worked in the three years prior to study entry.³ To address the needs of this group, the state distributed grants to several counties to design special services. The Tier 2 program in Hennepin County (which includes the city of Minneapolis) provided a range of services that were designed to address this group’s barriers to employment and to help them find and keep jobs. Funded by the Minnesota Department of Human Services (DHS), the program operated from January 2002 to June 2004.

Program Description

The Tier 2 program was built on the services provided through the Tier 1 program, the county’s pre-existing welfare-to-work program.⁴ The Tier 2 program was designed to address the needs of

¹In-depth information about ERA Minnesota is available in LeBlanc, Miller, Martinson, and Azurdia (2007), which includes findings from implementation research, 12-month survey data, and an economic impact analysis conducted 18 months after random assignment. The current report includes new economic impact findings that extend the follow-up to four years following random assignment.

²U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance (2004, 2010).

³Data are from Tier 1 administrative records.

⁴The Minnesota ERA program builds on the state’s TANF program, known as the Minnesota Family Investment Program (MFIP). An evaluation of MFIP, which compared it with Aid to Families with Dependent Children (AFDC), occurred in seven Minnesota counties between 1994 and 1998. MFIP, which was implemented statewide in 1998, incorporated many features of earlier MFIP field trials, including a generous earned

(continued)

those who had remained on the rolls for a long time without working and thus appeared most likely to reach the time limit for receiving benefits. Tier 2 differed from Tier 1 in several ways: (1) Tier 2 case managers worked with smaller caseloads; (2) the assessment of individuals entering the Tier 2 program was much more in-depth, to uncover issues affecting recipients and their families; and (3) the Tier 2 program placed greater emphasis on referring individuals to services to address potential barriers to employment, as well as on placing recipients who could not find work in supported employment positions, where participants worked for a wage in jobs supervised by program staff. In contrast to transitional employment where participants work in temporary jobs and are on the payroll of the service provider, participants in supported employment programs are placed directly into competitive employment, and program staff are available to help the employer train and supervise the new employee. In short, the goals of the Tier 2 program were to better assess the barriers faced by a portion of the TANF population in Hennepin County that was characterized by long-term benefit receipt and little work, and to address those barriers through referrals to appropriate services and close monitoring and follow-up.

Study Design and Sample Characteristics

The Tier 2 program was evaluated using a random assignment research design whereby eligible individuals were assigned either to a program group, whose members were assigned to the Tier 2 program, or to a control group, whose members remained in the Tier 1 program. Individuals had to meet the eligibility criteria to be randomly assigned — those who had been assigned to welfare-to-work employment services for 12 months or longer, were currently unemployed and had not worked in the preceding three months, were not currently participating in an approved education or training program, and were not currently being sanctioned. A total of 1,692 single parents were randomly assigned to either the Tier 1 or the Tier 2 group between January 2002 and April 2003.

The average age of the sample members was 31 years at study entry. Most of the sample comprised black females. Nearly half of the sample did not have a high school diploma at program entry, and most had been receiving TANF for at least two years. At study entry, nearly 20 percent of the sample did not speak English as their primary language, and 30 percent were not U.S. citizens. The majority (75 percent) of noncitizens were black, and about one-third were Somali. Although low education levels and long stays on welfare can be barriers to work, the targeted sample also faced a range of other problems that may act as important barriers.

A significant fraction of the sample faced health-related obstacles to finding work and achieving self-sufficiency. Over one-third were obese and one-third reported health problems

income disregard as well as several TANF-influenced features, such as a five-year time limit on benefit receipt. See Knox, Miller, and Gennetian (2000).

— that is, self-reporting that they were in “fair” or “poor” health. In addition, nearly 30 percent of recipients met the diagnostic criteria for major depression in the previous year.⁵ About one-fifth reported having a child with an illness or disability that made it difficult for the parent to work or go to school. Domestic violence was also assessed among women who had been in a relationship in the preceding year. Over one-fifth of these women reported experiencing some form of abuse in the year before study entry, although rates of physical abuse or severe domestic violence were somewhat lower.⁶ About 20 percent of the respondents likely had a learning disability,⁷ and the same percentage reported having “limited English ability.” Finally, many recipients faced multiple barriers to employment. Among those who had at least one barrier, representing 72 percent of the sample, over half had two or more barriers. However, only 2 percent of respondents reported alcohol dependence and 2 percent reported drug dependence.

Key Findings of the Minnesota Tier 2 Evaluation

MDRC tracked both groups using data provided by the State of Minnesota that show each individual’s monthly welfare and food stamp (now the Supplemental Nutrition Assistance Program) benefits and their quarterly earnings in jobs covered by the Minnesota unemployment insurance (UI) program for four years following random assignment. In addition, a survey was administered to a subset of program and control group members about one year after they entered the study.

Key Implementation Findings

- **The Tier 2 program did not increase the use of services that help people with barriers to employment, such as problems with mental health, substance use, or domestic violence.** Moreover, it did not increase participation

⁵ Major depression was detected by asking questions from the World Health Organization Composite International Diagnostic Interview Short-Form (CIDI-SF): “During the past 12 months, was there ever a time when you felt sad, blue, or depressed for two weeks or more in a row?”; “For the next few questions, please think of the two-week period during the past 12 months when these feelings were worst. During that time, did the feelings of being sad, blue, or depressed usually last all day long, most of the day, about half of the day, or less than half the day?”; “During those two weeks, did you feel this way every day, almost every day, or less often?” See Kessler et al. (1998).

⁶ Straus, Hamby, Boney-McCoy, and Sugarman (1996). Physical abuse was measured using the Revised Conflict Tactics Scale (CTS2), which includes “Threw something at my partner that could hurt,” “Twisted my partner’s arm or hair,” “Pushed or shoved my partner,” “Grabbed my partner,” “Slapped my partner,” “Used a knife or gun on my partner,” “Punched or hit my partner with something that could hurt,” “Choked my partner,” “Slammed my partner against a wall,” “Beat up my partner,” “Burned or scalded my partner on purpose,” and “Kicked my partner.”

⁷ Learning disabilities were determined as assessed by the Washington State Learning Needs Screening Tool. See Washington State Department of Social and Health Services (n.d.).

in most other program services. Nonetheless, the Tier 2 program did differ from Tier 1 in several ways, as noted earlier. Case managers worked with small caseloads — 25 to 30 clients per Tier 2 worker versus 75 to 120 in Tier 1 — which facilitated greater attention to the unique circumstances faced by recipients and their families. For example, the relatively small Tier 2 caseloads allowed those case managers to conduct full-family assessments, which were far more in-depth than the more basic screenings used in the Tier 1 program. In addition, individuals in Tier 2 met with their case managers more often than individuals in Tier 1 (26.4 contacts compared with 18.3, in the year following random assignment), although individuals in both groups reported high levels of contact with their case managers.⁸

Although the full-family assessments were both comprehensive and well implemented, survey data suggest that Tier 2 clients and their family members were no more likely to engage in services to address critical barriers — such as problems with mental health, substance use, or domestic violence — than were Tier 1 clients and their families. Overall, over 15 percent of individuals in both Tier 1 and Tier 2 received mental health services, and at least 6 percent received services for substance-related issues and domestic violence.

- **The Tier 2 program modestly increased participation in supported employment, but participation levels in other types of activities (for example, job search and education or training) were similar under Tier 2 and Tier 1.** As shown in Table 8.1, the Tier 2 program group was no more likely than the Tier 1 group to participate in job search or in work-related activities in general. They were, however, more likely to participate in supported employment (shown in the table as participation in subsidized employment), where participants worked for a wage in jobs supervised by program staff (10 percent in Tier 2 did so, versus 4 percent in Tier 1). Moreover, they worked in these kinds of positions for longer periods of time. However, the overall rates of participation in activities were quite high for both Tier 1 and Tier 2 clients. For example, over 80 percent of both groups participated in job search.

⁸When these data are compared with data from other ERA study sites, it appears that individuals in both Tier 1 and Tier 2 had exceptionally high levels of contact with their case managers.

The Employment Retention and Advancement Project

Table 8.1

Summary of Impacts, Minnesota Tier 2

Outcome	Program Group	Control Group	Difference (Impact)
<u>Implementation outcomes (Year 1)</u>			
Ever had contact with staff/employment program (%)	74.0	75.6	-1.6
Average number of contacts with staff	26.2	18.3	7.9 ***
Talked with staff in past 4 weeks (%)	41.4	38.9	2.5
Participated in any employment-related activity ^a (%)	84.3	81.5	2.8
Participated in subsidized employment (%)	9.5	3.7	5.8 ***
Participated in a job search activity (%)	84.3	81.5	2.8
Participated in an education/training activity ^b (%)	37.8	42.1	-4.3
Sample size (total = 503)	251	252	
<u>Employment and earnings (Years 1-4)</u>			
Ever employed (%)	80.4	78.4	2.0
Number of quarters employed	7.1	7.0	0.1
Employed 4 consecutive quarters (%)	56.4	54.9	1.6
Total earnings (\$)	22,456	21,963	494
<u>Public assistance receipt (Years 1-4)</u>			
Ever received cash assistance ^c (%)	94.2	94.3	-0.1
Number of months receiving cash assistance ^c	21.7	21.2	0.5
Total cash assistance received ^c (\$)	9,010	8,773	237
Ever received food stamps ^c (%)	98.3	97.6	0.7
Number of months receiving food stamps ^c	33.1	32.9	0.2
Total food stamps received ^c (\$)	10,572	10,682	-110
Total measured income ^{c,d} (\$)	41,888	40,931	957
Sample size (total = 1,691)	845	846	

SOURCES: MDRC calculations from responses to the ERA 12-month survey, unemployment insurance (UI) records from the State of New York, and public assistance records from New York City.

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

The p-value indicates the likelihood that the difference between the program and control groups arose by chance.

Results in this table are adjusted for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Averages for dollar amounts include zero values for sample members who had no earnings, cash assistance grants, or food stamp benefits.

^aEmployment-related activities include job search activities, unpaid jobs, and on-the-job training.

^bThis measure includes participation in any of the following activities: English as a Second Language (ESL) instruction, adult basic education (ABE) or General Educational Development (GED) classes, college course or vocational training.

^cData on public assistance are missing for 177 sample members. Therefore, the measures for public assistance and income are available only for 1,514 sample members.

^dThis measure represents the sum of UI-reported earnings, cash assistance, and food stamps.

Finally, aside from the more in-depth assessment, the two groups (Tier 2 and Tier 1) had access to essentially the same range of services and supports, and this may have set a high standard for Tier 2 to surpass and demonstrate impacts.

Key Impact Findings

- **The Tier 2 program, compared with Tier 1, had little effect on employment and earnings or public assistance receipt over the four-year follow-up period.** Table 8.1 shows that the Tier 2 and Tier 1 groups had similar rates of employment over the four-year follow-up period, with about 80 percent of both groups working at some point. Early on, the Tier 2 program led to a modest increase in employment — and a notable increase in employment among participants who had prior work experience — but these differences did not persist. The Tier 1 and Tier 2 groups had similar rates of TANF and food stamp receipt, and TANF receipt gradually fell over time at roughly the same rate for both groups. At four years after random assignment, only 40 percent were receiving benefits (not shown).

Policy Implications

The findings described above for Minnesota’s Tier 2 welfare-to-work program and similar findings from the Los Angeles Reach for Success program and the Greater Avenues for Independence (GAIN) evaluation in Riverside, California, suggest that smaller caseloads for case managers may not be sufficient for program success.⁹ It may be that smaller caseloads, and the greater level of staff-client interaction they allow, can be more effective when coupled with participation in a fuller range of services that address client needs. Moreover, these findings suggest that in-depth assessments need to be more effectively linked to mechanisms for facilitating referrals and promoting service engagement.

⁹Los Angeles Reach for Success was also part of the national ERA project and provided individualized and flexible case management services to working welfare recipients; see Hendra et al. (2010). California’s GAIN program was a statewide initiative aimed at increasing the employment and self-sufficiency of recipients of AFDC. A special study within the GAIN evaluation in Riverside, California, examined the effects of lowering caseload size (Riccio et al., 1994).

Chapter 9

Conclusions

This final report of the Hard-to-Employ (HtE) Demonstration and Evaluation Project presented the findings from the four Hard-to-Employ sites and from three sites of the Employment Retention and Advancement (ERA) project where hard-to-employ populations were targeted. While the results were mixed and varied considerably across the sites, this chapter presents some cross-cutting themes and lessons for future directions that can be drawn from the project.

Themes, Implications, and Future Directions

Only three of the eight program models described in this report — Center for Employment Opportunities (CEO), Transitional Work Corporation (TWC), and Personal Roads to Independent Development and Employment (PRIDE) — had any employment impacts for the full sample, and only PRIDE had impacts on regular employment that persisted over the full follow-up period. The other programs increased participation in pre-employment activities and other services that were expected to lead to work, but there were no impacts on employment. Several of the programs did, however, achieve positive results in domains other than employment: reductions in recidivism in CEO that led to favorable benefit-cost results, reduced Temporary Assistance for Needy Families (TANF) payments in PRIDE and in TWC during the first year and a half of follow-up, and increases in the use of higher-quality child care options in the Enhanced Early Head Start (EHS) sites.

In a demonstration project, the primary goal is knowledge building, so just as important as the results themselves is the extent to which the project has generated knowledge that can be used to develop and test new strategies with greater potential to succeed. For example, findings from the HtE and ERA Projects suggest that groups who are designated as hard-to-employ do not all face the same challenges in sustaining employment, and these challenges are not always distinct from those among other, more generally low-income groups. For some of the target populations studied (TANF recipients with disabilities and TANF recipients and other lower-income people with substance abuse problems), finding any employment during the evaluation follow-up period was a major hurdle. However, in six of the evaluations, between 70 percent and 83 percent of control group members were employed at some point during the follow-up period, rates that are in line with employment rates found by MDRC in other studies of TANF programs that were more broadly targeted to the overall caseload. This indicates that for most participants in HtE and in the ERA sites that served groups identified as hard to employ, sustaining employment was the more frequent challenge. Yet, all of the interventions studied placed more emphasis programmatically on services and

activities related to job placement than job retention. Future program should design employment components that are better matched to the pattern of labor force participation and nonparticipation that is experienced by the target population.

A few of the project's other lessons are examined below.

- **The lessons learned in the HtE demonstration programs and in related research have shaped new national transitional jobs initiatives.**

In addition to the two transitional jobs studies in this HtE project (CEO and TWC), MDRC has evaluated four other transitional jobs programs under the Transitional Jobs Reentry Demonstration (TJRD). Of the six programs that were tested, five targeted ex-prisoners and one targeted long-term TANF recipients.

None of the six programs produced sustained increases in regular unsubsidized employment, although all of them increased employment and earnings early in the follow-up period, when participants were in temporary (subsidized) transitional jobs. In two newer federal projects, the Administration for Children and Families' (ACF's) Subsidized Transitional Employment Demonstration (STED) and the U.S. Department of Labor's Enhanced Transitional Jobs Demonstration (ETJD), a primary goal is to identify and test programs that are different in key ways from the transitional jobs programs that have been evaluated in HtE and TJRD.

The new approaches are based, in part, on hypotheses about why the transitional jobs programs did not increase long-term employment. For example, while the transitional jobs programs sought to build participants' "soft skills," they did not include much direct occupational training to help participants qualify for higher-paying jobs. The results of another study, the Sectoral Employment Impact Study conducted by Public/Private Ventures, suggest that industry-specific training programs can substantially increase employment and earnings.¹ Thus, STED and ETJD hope to test some programs that place a stronger emphasis on training.

Similarly, in the transitional jobs programs, participants were almost always placed at worksites where there was no chance for them to make a direct transition to an unsubsidized job; typically, they worked in a nonprofit organization (sometimes the program sponsor) for a few months and then received help looking for a permanent job. In contrast, STED and ETJD hope to test some models in which participants are placed into subsidized jobs with private employers with the possibility of rolling over directly onto the employer's payroll when the subsidy ends.

¹Maguire et al. (2010).

A key question for both of these strategies is whether they will be able to serve the highly disadvantaged groups who were expected to participate in STED and ETJD, which may include TANF recipients, ex-prisoners who are reentering society, low-income noncustodial parents, disadvantaged youth, and people with disabilities.

- **The Enhanced Early Head Start study illustrates some key challenges and provides important lessons that can guide future two-generation programs that attempt to combine self-sufficiency, child development, and parenting goals.**

New models that combine parental employment and educational services with early childhood education services have garnered considerable interest in recent years. The results from the HtE evaluation provide some of the first rigorous evidence of the effectiveness of combined dual-generation, child-focused, and parental employment and educational services for low-income parents and their young children, and therefore provide an important foundation for future research in this area. The results highlight real-world challenges and hurdles that early childhood education programs may face when expanding their services with a proactive focus on parental employment, educational, and self-sufficiency needs. At the same time, the cautionary pattern of findings highlights opportunities and potentially fruitful program models that may be important to test in the future.

A key question is how early childhood educational services and parental employment and educational services can be successfully combined and targeted to reach populations that are most likely to benefit from such services. In the HtE evaluation, implementation and engagement challenges kept many families who received Enhanced EHS from receiving the parental employment, educational, and self-sufficiency services that the program offered. One lesson stemming from this finding is that it may be important to revamp strategies used to recruit and engage low-income parents with young children into dual-focused services. Looking forward, a more productive strategy may be to target low-income parents who are already interested in pursuing employment and educational opportunities and then encouraging them to place their children in high-quality early childhood educational services, rather than to target families with children in early childhood programs who are not necessarily interested in pursuing employment and educational opportunities. A potentially promising corollary to this approach is to identify existing adult employment and secondary education programs that serve low-income parents with young children and then enhance or pair those program services with high-quality early childhood education services.

Furthermore, the HtE evaluation may suggest that a more robust parental employment and educational service approach and staff training in this area are needed to bring about a more successful marriage of dual-generation program services aimed at addressing children's devel-

opmental needs and low-income families' economic self-sufficiency needs. A cluster of new initiatives have aimed to pair industry-specific job training with high-quality education for children. (For example, CareerAdvance, developed and implemented by the Community Action Project in Tulsa, Oklahoma, was a workforce development program that aimed to help parents of very young children earn adequate wages to sustain their families.)² These new approaches are based on the premise that more focused and formal industry-specific training programs may be more effective at increasing employment and earnings than a "light-touch" approach to addressing parents' employment and educational needs, as was tested in HtE's Enhanced Early Head Start evaluation.

- **Despite its modest impacts, the WtW study provides lessons for trying several enhancements and adaptations that may yield better results.**

Given the barriers faced by individuals in the Rhode Island WtW evaluation to seeking in-person mental health treatment, an alternative might be to combine telephonic care management with telephonic psychotherapy. A recent study within Group Health Cooperative found that cognitive behavioral therapy plus care management provided by telephone to patients who were beginning antidepressant treatment reduced depression severity.³ It will be important to learn whether this approach is also effective for low-income individuals, such as those receiving Medicaid or TANF benefits.

Social and financial support services to help clients access treatment were not included in WtW, but were an important feature of the one rigorously evaluated program that improved depression outcomes for low-income individuals.⁴ Supplemental services, such as transportation and child care, as an enhancement to telephonic care management, though potentially costly, might help overcome the practical barriers to seeking treatment found in the WtW study. In addition, using financial incentives to increase participation in treatment is another enhancement worth considering. A recent study in New York City found that financial incentives for low-income families increased their use of a variety of health care services.⁵

Although there was little effect on depression severity overall in the Rhode Island WtW study, there was a small and marginally significant reduction in the proportion of people with very severe depression. In addition, a widely cited meta-analysis suggests that antidepressant medication treatment is more effective for patients with very severe depressive symptoms.⁶ A

²See www.captc.org.

³Simon et al. (2004).

⁴Miranda et al. (2006).

⁵Riccio et al. (2010).

⁶Fournier et al. (2010).

promising approach worth testing might be to target a telephonic care management intervention for people with the most severe depression.

A majority of study participants in the WtW evaluation had previously been diagnosed with depression and received depression treatment. Although none was in active treatment upon entering the study, the fact that they had previously received treatment and remained depressed might indicate that these participants were unlikely to benefit from increased use of mental health services. This suggests that telephonic care management might have more of an impact among individuals who have not previously received treatment for depression.

- **The evaluation sites that served TANF recipients tended to emphasize either work- or treatment/service-focused strategies. There is emerging evidence that combining both strategies in a more integrated model may be more promising than offering either strategy alone, especially for people with disabilities and behavioral health problems.**

Two programs, PRIDE and TWC, used structured work activities, community work experience, or transitional employment as their primary strategies. The three other TANF programs — STEP, Minnesota Tier 2, and SACM — included some work activities in their service menus but these were usually provided after participants had been assessed and received services or treatment to address their work barriers. Many participants in these programs did not complete assessment or treatment and thus did not make the transition to employment activities.

However, both the work- and service-focused strategies had limited success. As noted previously, although PRIDE had employment effects throughout the follow-up period, many participants lost their jobs quickly, and more than half never worked at all.

Practitioners from the disability world have long argued that balancing work and treatment in an integrated rather than sequential model is more likely to lead to better employment outcomes, over both the short and longer terms, than other approaches. One such model that has been tested in random assignment studies and has produced relatively large and sustained employment impacts is the Individual Placement and Support (IPS) program.⁷ This approach differs from any included in this evaluation because it uses a team of colocated clinicians and vocational counselors to coordinate treatment with job placement and retention activities. It also assumes that everyone can work in competitive employment right away, regardless of employment barriers, as long as the individual has the desire to work. emphasizes rapid entry into regular employment rather than starting with transitional employment or community work experience.

⁷Drake et al. (1996); Drake, Becker, Clark, and Mueser (1999); Gold et al. (2006).

Thus far the model has only been tested as a voluntary program operating in a variety of community settings for adults with severe mental illness. The Social Security Administration (SSA) is now evaluating IPS more broadly for mentally ill adults who are receiving federal disability. Most recently, it has been adapted for pilot testing for a TANF population with mental health problems in Ramsey County, Minnesota, as part of the ACF- and SSA-funded TANF Supplemental Security Income Disability Transition Project. The decision to pilot this approach was motivated both by the IPS studies and by the more mixed findings from the HtE evaluation. A key open question is whether the IPS approach will be successful with a less seriously mentally ill population who face TANF mandates and have child care and other family service needs. If the pilot results are promising, it could become the basis for a national multisite random assignment demonstration that would focus primarily on TANF and might include target groups who have a range of health and behavioral health barriers.

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