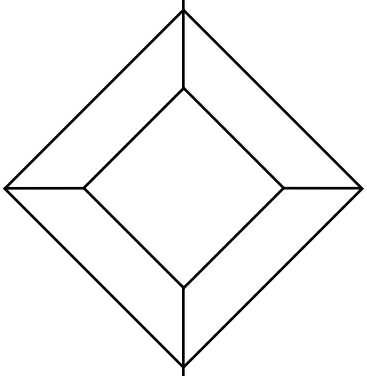

Making Work Pay

Final Report on the Self-Sufficiency Project for Long-Term Welfare Recipients

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SRDC

SOCIAL RESEARCH AND DEMONSTRATION CORPORATION

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The Social Research and Demonstration Corporation (SRDC) is a non-profit organization created in 1991 with the support of Human Resources Development Canada (HRDC) to develop, field test, and rigorously evaluate social programs designed to improve the well-being of all Canadians, with a special concern for the effects on disadvantaged Canadians. Its mission is to provide policy-makers and practitioners with reliable evidence about what does and does not work from the perspectives of government budgets, program participants, and society as a whole. It accomplishes this mission by evaluating existing social programs and by testing new social program ideas at scale, and in multiple locations, before they become policy and are implemented on a broader basis.

Other SRDC reports on the Self-Sufficiency Project (SSP):

Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project. Ted Mijanovich and David Long. December 1995.

The Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk About Work, Welfare, and Their Future. Wendy Bancroft and Sheila Currie Vernon. December 1995.

Do Financial Incentives Encourage Welfare Recipients to Work? Initial 18-Month Findings from the Self-Sufficiency Project. David Card and Philip K. Robins. February 1996.

When Work Pays Better Than Welfare: A Summary of the Self-Sufficiency Project's Implementation, Focus Group, and Initial 18-Month Impact Reports. March 1996.

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When Financial Incentives Pay for Themselves: Interim Findings From the Self-Sufficiency Project's Applicant Study. Charles Michalopoulos and Tracey Hoy. November 2001.

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La version française de ce document peut être obtenue sur demande.

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Preface

A little more than a decade ago, a number of senior federal government officials in the then Department of Employment and Immigration had an idea. Deputy Minister, Arthur Kroeger; Barry Carin, Assistant Deputy Minister, Strategic Policy; and Louise Bourgault, Director General, Innovations Branch, wanted to develop a demonstration project that would show the effects that a "make work pay" strategy would have on the ability of long-term welfare recipients to make the transition to full-time employment. This initial concept was developed in partnership with two innovative leaders within provincial governments — Don Boudreau, Assistant Deputy Minister in the New Brunswick Department of Income Assistance; and Bob Cronin, Assistant Deputy Minister in the British Columbia Ministry of Social Services. Through this collaboration, the innovative idea became the Self-Sufficiency Project (SSP).

When SSP was launched in 1992, it was an ambitious undertaking in many respects. SSP would last 10 years and involve more than 9,000 lone-parent families in two provinces. It would use a complex design to enrol participants in three linked research samples and employ a random assignment evaluation design — widely viewed as the most reliable way to measure program impacts, but a method that has rarely been used in social policy research in Canada. Most important, SSP undertook the challenging task of trying simultaneously to reduce poverty, encourage steady work, and reduce welfare dependency. In general, programs that transfer income to poor people in order to fight poverty reduce the incentive for recipients to seek and accept employment, particularly if their potential earnings are low. Many of those who leave welfare for work end up in jobs that pay too little to allow their families to escape poverty. The program that the Self-Sufficiency Project set out to test aimed to encourage work and independence among welfare recipients, while ensuring that they had adequate incomes to support themselves and their families.

Since the first paper on the Self-Sufficiency Project was published in October 1994, the substantial investment in SSP has been paying dividends in the form of a rich body of research evidence. Now, with the publication of the final report on SSP's study of long-term welfare recipients, it is clear that a well-structured financial incentive program can be a quadruple winner — encouraging work, increasing earnings, reducing poverty, and benefiting society. Moreover, there is some evidence that raising the incomes of poor families can provide benefits to elementary-school-age children. And all this can be achieved at little net cost to government.

The Self-Sufficiency Project has identified an intervention that offers considerable promise as a way of dealing with an important social policy challenge; and in its design, implementation, and evaluation, SSP has set a new standard for the conduct of social policy research in Canada.

John Greenwood
Executive Director

Acknowledgements

This report resulted from the collaboration of many people and organizations. SSP exists only because of the sponsorship and support of Human Resources Development Canada, the program's originators. Special thanks go to Jean-Pierre Voyer and Allen Zeesman of HRDC's Applied Research Branch.

The report's analyses relied on information from many people. At Statistics Canada, Richard Veevers, Ann Brown, and their staff collected and processed the survey and administrative records for this report. Sharon Matas, Ian Singer, Robin Cicera, and their staff at British Columbia's Ministry of Human Resources, and Bernard Paulin, Gary Baird, and their staff at Family and Community Services New Brunswick have given valuable assistance regarding the income assistance system in the two provinces. For maintaining the program's management information system, which kept track of supplement payments and issued supplement cheques, we thank Melony McCrea and Trudy Megeny at EDS Systemhouse Inc. in Nova Scotia.

SSP was made an operational reality by staff at the sites: Betty Tully, Elizabeth Dunn, and their staff at Bernard C. Vinge and Associates Ltd. in British Columbia; and Shelly Price, Linda Nelson, and their staff at Family Services Saint John, Inc. in New Brunswick.

The report was strengthened by comments from many reviewers. At SRDC John Greenwood helped shape the content of the report as the director of the project and Susanna Gurr contributed to a round of reviews. At MDRC Gordon Berlin, Judy Gueron, Howard Bloom, and Lisa Gennetian reviewed several drafts and helped us sharpen the analysis and presentation.

The report could not have been produced without the support of many people at MDRC and SRDC. At SRDC Susanna Gurr and Dan Hoy played key roles in overseeing the day-to-day operations of the project. The "cliff study" was undertaken by Wendy Bancroft, Sheila Currie, and Musu Taylor-Lewis. Anne Motte assisted with checking the accuracy of the exhibits and text. Barbara Greenwood Dufour performed the final round of editing and formatting, and coordinated the publication and production of the document.

At MDRC Tracey Hoy was responsible for checking and creating the data files, with the help of Bryan Ricchetti, Cathy Cousear, Nkem Dike, and Debbie Greenberger, who also conducted most of the statistical programming at MDRC. Martey Dodoo directed the initial collection of data for the benefit-cost analysis. Tara Cullen coordinated the production of draft reports. Colleen Parker assisted with all aspects of the benefit-cost analysis, while Wanda Vargas and Chris Rodrigues assisted with the analysis of child outcomes. Nina Gunzenhauser edited the report, and Lonnie Metoyer and Stephanie Cowell did the word processing.

Special thanks are due David Card of the University of California–Berkeley. As a co-author of many SSP reports including the first impact analysis, David shaped the way we looked at and understood the implications of the effects of the supplement offer.

Finally, we would like to thank SSP's participants, none of whom was compelled to be part of the study. Their willingness to allow us to explore many aspects of their lives through surveys, administrative records, focus groups, and ethnographic interviews made the study possible and forever enriched our knowledge about effective welfare and work programs.

The Authors

Executive Summary

This is the final report of the Self-Sufficiency Project (SSP), a study of long-term welfare recipients. SSP is a research and demonstration project designed to test a policy innovation that makes work pay better than welfare. Conceived and funded by Human Resources Development Canada (HRDC), managed by the Social Research and Demonstration Corporation (SRDC), and evaluated by the Manpower Demonstration Research Corporation (MDRC) and SRDC, SSP offered a temporary earnings supplement to selected long-term income assistance (IA) recipients in British Columbia and New Brunswick. The earnings supplement was a monthly cash payment available to single parents who had been on income assistance for at least one year and who left income assistance for full-time work. The supplement was paid on top of earnings from employment for up to three years, as long as the person continued to work full time and remained off income assistance. While collecting the supplement, the single parent received an immediate payoff from work; for a person working full time at the minimum wage, total income before taxes was about twice her earnings.[1] The accompanying text box briefly describes the key features of the supplement offer.

Key Features of the SSP Earnings Supplement

- Full-time work requirement. Supplement payments were made only to eligible single parents who worked at least 30 hours per week and left income assistance.
- Substantial financial incentive. The supplement equalled half the difference between a participant's earnings and an "earnings benchmark." During the first year of operations, the benchmark was $30,000 in New Brunswick and $37,000 in British Columbia. Unearned income (such as child support), earnings of other family members, and number of children did not affect the amount of the supplement. The supplement roughly doubled the earnings of many low-wage workers (before taxes and work-related expenses).
- One year to take advantage of the offer. A person could sign up for the supplement if she found full-time work within the year after random assignment. If she did not sign up during that year, she could never receive the supplement.
- Three years of supplement receipt. A person could collect the supplement for three calendar years from the time she began receiving it, as long as she was working full time and not receiving income assistance.
- Voluntary alternative to welfare. No one was required to participate in the supplement program. After beginning supplement receipt, people could decide at any time to return to income assistance, as long as they gave up supplement receipt and met the IA eligibility requirements.

[1] The feminine pronoun is used throughout this report because the vast majority of single parents receiving income assistance are women.

To measure the effects of its financial incentive, SSP was designed as a social experiment using a rigorous random assignment research design. In the SSP "recipient study," the subject of this report, a group of about 6,000 single parents in British Columbia and New Brunswick who had been on income assistance for at least a year were selected at random from the IA rolls. Half of these people were randomly assigned to a program group and offered the SSP supplement, while the remainder formed a control group. This report describes the impacts of the supplement offer through four and a half years after random assignment, with information on welfare use through the beginning of the sixth year after random assignment. The key questions of this report are whether the SSP program increased parents' earnings and income, whether it reduced reliance on welfare, whether it harmed or benefited children, how much it cost, and whether the supplement offer had ongoing effects in the period after parents were no longer eligible to receive it.

THE FINDINGS IN BRIEF

Because the evaluation of SSP assigned people to the program and control groups at random, the impact or effect of the supplement offer is measured as the difference in employment, earnings, income, and other outcomes between the two groups. These comparisons indicate that SSP increased full-time employment, earnings, and income, and reduced poverty.

- One third of the long-term welfare recipients who were offered the SSP earnings supplement worked full time and took up the supplement offer. To receive the supplement, people in the program group had to work full time within a year of entering the study. Thirty-six per cent of them took up the supplement in this way and were then eligible to receive the supplement for the next three years. On average, these supplement takers received the supplement for 22 months over their three years of eligibility and received more than $18,000 in supplement payments over that time.

- SSP increased employment, earnings, and income, and reduced welfare use and poverty. By the end of the first year after random assignment, program group members were twice as likely as control group members to be working full time, and the effect of SSP on employment continued to be strong through most of the follow-up period. As a result, SSP increased the average person's earnings by nearly $3,400, or more than 20 per cent over the earnings of the average control group member. The rules of SSP prohibited people from simultaneously receiving the earnings supplement and income assistance. As a result, the program reduced IA payments by about $3,500 per family in the program group. When people left income assistance to receive the earnings supplement, they replaced their IA payments with SSP supplement payments. As a result, SSP increased income and substantially reduced poverty. Over the entire follow-up period, program group members had on average about $6,300 more in combined income from earnings, IA payments, and earnings supplements than control group members. Three years after people had entered the evaluation, SSP had reduced the proportion with income below Statistics Canada's low income cut-offs by nearly 10 percentage points. These impacts are probably concentrated among the people who took up the supplement offer, suggesting that SSP's effects were nearly three times as large among supplement takers.

- The effects of SSP on employment, welfare use, and income were small after parents were no longer eligible for the supplement. Members of the program group could receive supplement payments for up to three years, and the program's effects were strong throughout the period when parents were eligible for the supplement. In the middle of the fifth year after random assignment, which was after supplement takers could no longer receive the SSP earnings supplement, the program and control groups were equally likely to work; for example, 42 per cent of both the program group and the control group were working, and the average earnings of both groups were nearly $500 per month. The impact on welfare receipt persisted somewhat longer, but by the middle of the sixth year after random assignment, both groups were about equally likely to be receiving income assistance. Although the program's effects were small at the end of the follow-up period, this finding does not change the fact that program group members gained considerable work experience because of SSP and their families benefited from the increased income they gained while the supplement was being paid.

- Elementary-school-age children in the program group performed better in school than similar children in the control group. Parents in the program group gave their elementary-school-age children higher marks on school performance than did parents in the control group. Results of vocabulary and math tests confirmed that in this age group children in the program group were performing better than their control group counterparts. The program advantage for some of these positive effects after parents had stopped receiving the earnings supplement (and after the program had stopped having effects on family income), suggesting that a temporary income gain may have long-term effects on children's lives. For children in other age groups, however, there were few differences in outcomes between the program and control groups.

- Government agencies spent money to achieve SSP's positive results, but society as a whole benefited from the program. Government agencies spent about $1,500 per program group member administering SSP (over and above what they would have spent administering the IA program for each program group member) and spent nearly $3,200 more on transfer payments (primarily on SSP supplement payments, again compared with what would have been spent on income assistance). From society's point of view, however, the program costs less than the benefits it provided. When fringe benefits are included, program group members earned $4,100 on average more than they would have without the program. Because spending on transfer payments does not cost society anything — some taxpayers pay, but others receive — these increased earnings cost society only the administrative and operating costs of the program. In other words, society gained nearly $2,600 per program group member.

- Combining the SSP earnings supplement with services to help people find and keep jobs resulted in larger effects than did the earnings supplement alone. Anticipating that many long-term welfare recipients would have difficulty taking up the supplement offer, SSP also tested a program called SSP Plus, which combined the earnings supplement offer with an offer of services to help people find and keep jobs. About half of the people offered this SSP Plus program were able to take up the supplement offer. Although many of the people who took up the supplement offer because of the SSP Plus job services lost their jobs quickly, the effects of SSP Plus

were remarkably strong near the end of the follow-up discussed in this report, when parents were no longer eligible for SSP's earnings supplement. This finding suggests that the job-related services had helped some members of the SSP Plus program find more stable employment than their counterparts who did not receive services.

AN OVERVIEW OF THE SSP PROJECT

As has been noted, SSP offered long-term welfare recipients a financial incentive to encourage them to leave welfare for work. Briefly, SSP offered a supplement to earnings, in the form of a monthly cash payment, to people who left income assistance and worked full time (30 or more hours per week). The restriction to full-time work was designed to limit the extent to which people received the supplement without increasing or maintaining their work effort. The offer was limited to single parents who had been on income assistance for at least a year. This restriction targeted SSP benefits to a disadvantaged population that normally experiences difficulty in the labour market. The SSP supplement payment varied with individual earnings, rather than with family income, and was therefore unaffected by family composition, other family members' earnings, or unearned income. Finally, supplement payments were available for a maximum of three years, and only to program group members who initiated SSP payments within 12 months of their initial eligibility.

Understanding the structure of SSP's incentives is crucial to understanding the effects of the supplement offer. In brief, SSP's financial supplement paid parents who worked 30 or more hours per week an amount equal to half the difference between their actual earnings and a target level of earnings. In 1994 target earnings were set at $30,000 in New Brunswick and $37,000 in British Columbia, although they have been adjusted slightly over time to reflect changes in the cost of living and in the generosity of income assistance. For example, a participant in British Columbia who worked 35 hours per week at $7 per hour earned $12,740 per year and collected an earnings supplement of $12,130 per year ($37,000 minus $12,740, divided by 2), for a total gross income of $24,870. In comparison, if that participant had decided not to work and instead to receive income assistance, she would have had an annual income of only $17,111 if she had two children. When tax obligations and tax credits are taken into account, most families had incomes $3,000 to $7,000 per year higher with the earnings supplement program than if they had worked the same number of hours without the supplement.

The SSP Research Design — Random Assignment

Recruitment into SSP's main research study began in November 1992 and was completed in March 1995. Each month, Statistics Canada used IA administrative records to identify all people in selected geographic areas in British Columbia and New Brunswick who (1) were single parents, (2) were 19 years of age or older, and (3) had received IA payments in the current month and at least 11 of the prior 12 months. No other restrictions (for example, on health status) were imposed. Readers should keep in mind that the IA systems in British Columbia and New Brunswick include disabled people who would not be able to work. In the United States, some of these recipients would be in the Supplemental Security Income (SSI) program rather than in the welfare system. Thus, the sample of long-term welfare recipients in SSP may be more disadvantaged than the sample for a similar program for welfare recipients in the United States.

A random sample of people who were identified in this way were informed that they had been selected to participate in a study of IA recipients and were visited by Statistics Canada interviewers. During the visit, the interviewer administered a baseline survey lasting an average of 30 minutes and then described the SSP study, delivered an informed consent form to the sample member, and answered any questions. Roughly 90 per cent of the fielding sample completed the baseline survey and signed the informed consent form.

Immediately after the baseline interview, the single parents who were recruited into the recipient study were randomly assigned either to the program group (2,880 parents), which was offered the SSP earnings supplement, or the control group (2,849 parents), which was not. Most results in this report are based on 4,852 people who completed a follow-up survey approximately 54 months after entering the study — 2,460 in the program group and 2,392 in the control group, or about 85 per cent of both groups.

For most outcomes, the period studied in the report consists of the 54 months after random assignment (including the month of random assignment) for each sample member. For the earliest sample members randomly assigned, the period studied is November 1992 through to April 1997; for those who were randomly assigned last, the period studied is roughly March 1995 through to August 1999. One exception is IA use, for which information is available for 70 months following random assignment.

Economic and Policy Context

During the years after the project was initiated, major reforms altered the landscape of social policy in Canada. In 1996 the system of paying for welfare (the Canada Assistance Plan) was replaced with a block fund called the Canada Health and Social Transfer (CHST). The federal government's contributions under CHST have been substantially lower than they would have been under the earlier system. Faced with cutbacks in federal support, provinces have made a variety of changes such as reducing welfare benefit levels, tightening eligibility requirements, and imposing work requirements on welfare recipients.

Over the time covered in this report, economic conditions also changed in British Columbia and New Brunswick. In both provinces overall labour market conditions improved slightly from 1992 to 1995. Nonetheless, unemployment rates remained at historically high levels, and employment of 15- to 44-year-old women actually declined in British Columbia. From 1995 to 1998 unemployment increased somewhat in New Brunswick and remained stable in British Columbia, even though the formal unemployment rate continued to fall. However, the job prospects for women might have improved during this period, because the employment rate of 15- to 44-year-old women increased in both provinces. Since 1992 the minimum wage in both provinces has been increased several times, though it is lower in New Brunswick than in British Columbia. When SSP was begun in 1992, the minimum hourly wage was $5.50 in British Columbia and $5.00 in New Brunswick. By 1998 the minimum wage had increased to $7.15 in British Columbia and to $5.50 in New Brunswick.

The SSP Applicant Study

In addition to the SSP recipient study and SSP Plus, both of which are discussed in this report, SSP included a separate study of a group of people in British Columbia who had recently been approved to receive income assistance. This study is referred to as the SSP "applicant study." This report does not describe results of the SSP applicant study, which are

presented for a four-year follow-up period in a separate report (Michalopoulos & Hoy, 2001). Results through to six years will be described in a separate, future final report.

Program group members in the applicant study received a letter and brochure informing them that if they stayed on income assistance for a year, they would become eligible for the SSP earnings supplement. The first question addressed by the SSP applicant study was whether people would stay on income assistance for a year to become eligible for the supplement. Results published elsewhere imply that the effect was small. This finding has important implications for an ongoing SSP supplement program, since it suggests that the generous SSP financial incentive would not incur substantial costs by encouraging welfare use in the short run.

Program group members who remained on income assistance for a year were then offered the same financial incentive offered in the recipient study. A second question was whether the SSP supplement would increase employment, earnings, and income for this group of welfare applicants. Reports on the applicant study indicate that the supplement offer had substantial effects on employment, earnings, welfare use, and poverty. In short, results of the applicant study were similar to results of the recipient study. In one respect, however, results of the applicant study were remarkable. Employment and income gains in the applicant study were achieved without increasing government spending on after-tax cash transfer payments. This finding suggests that an ongoing program that offers the generous SSP supplement to a more employable group of welfare applicants would be even more cost-effective than for long-term welfare recipients.

LEARNING ABOUT THE SUPPLEMENT

About 98 per cent of program group members received an orientation to SSP, usually within one month of random assignment and usually in person. At these sessions, an SSP staff member described the earnings supplement's main features (the work requirement, the one-year clock, the three-year time limit, and the calculation of supplement payments). The central message conveyed was that the supplement could "make work pay," even if a minimum-wage job was all that could be found. Program group members were also informed of the range of community services available to them to assist them in their efforts to enter the world of work. The SSP staff acknowledged, however, that the earnings supplement might not be the right choice for everyone, particularly those who preferred to stay home with their children or who wished to attend school full time.

In a phone survey of the 700 program group members who received the orientation up until April 1993, over 90 per cent said they recalled being told by SSP staff about the one-year clock, the 30-hour work requirement, and the way that supplement was calculated. They also remembered being told they must leave income assistance to qualify for the supplement. Nine out of ten respondents said they thought they would be financially better off on the supplement, and eight out of ten said they had no questions about the supplement.

After the orientation session, contacts between program group members and program staff were usually of modest duration (e.g. a 10- or 15-minute phone call). One or two additional workshops (such as one on money management) were offered. The program offered information and referrals to existing services in areas such as job search, education, and training, but did not directly provide these services. Doing so would have made it impossible to

determine the extent to which differences between the program and control groups' experiences could be attributed to SSP's financial incentive, as opposed to the services.

In order to initiate supplement payments, program group members who found full-time work within the one-year qualifying period had to come into the SSP office to provide evidence of their qualifying employment and sign a letter directing the IA office to end their IA payments. After initiation, participants filled out a voucher (documenting the dates, hours, and wages of their employment) after receiving each paycheque and mailed it, along with a copy of the corresponding pay stubs, to the SSP payment office. The supplement amount was then calculated according to the earnings recorded during a four-week or monthly accounting period. Payment system records were cross-matched with IA records every month to ensure that supplement takers were complying with the rules of the program and not drawing simultaneous benefits.

SUPPLEMENT TAKEUP

- About 36 per cent of program group members received at least one supplement.

As has been explained, program group members had to find a full-time job within 12 months in order to qualify for supplement payments. Overall, about 36 per cent of the program group became supplement takers during that year.

Although 36 per cent of the program group received at least one supplement payment, the number receiving supplement payments in any given month was never that large, peaking at about 25 per cent of the program group near the beginning of the second year. This means that 11 per cent of the program group — the difference between the 36 per cent who ever received a supplement and the 25 per cent receiving it at the beginning of the second year — worked full time and received the supplement at some point but had stopped receiving the supplement by the beginning of the second year. In other words, about 11 per cent of the program group had already lost their full-time employment by the beginning of the second year.

During the three years they were eligible for the supplement, supplement takers received $18,256 in supplement payments on average, and they received supplement payments for 22 months on average. However, some takers received more than others. One quarter of supplement takers received nearly $27,000 during their three years of supplement receipt, while one quarter received less than $10,000 in supplement payments. While one fourth of supplement takers who received the supplement most frequently received it for 33 or more months, the one fourth of supplement takers who received the supplement least frequently received it fewer than 13 months.

- People who did not take up the supplement offer faced a number of barriers to full-time work.

People who did not take up the supplement offer had less work experience and less education than those who did take up the supplement offer. For example, supplement takers were more than three times more likely than takers to be working at baseline and were substantially more likely to have a high school diploma or equivalent. Those who did not take

up the supplement offer were also more likely to say they could not work because they had an illness or disability, because they could not find good child care, or because of other family responsibilities.

Focus groups of takers and non-takers found that many who were offered the supplement appeared hindered even in making the decision to start a job search. Some rationalized their reluctance in terms of the practical hurdles they perceived: the hopelessness of finding a job and low expectations regarding child care. For others, the risk in searching for work was more emotional. Participants commonly extolled low self-esteem and feared disappointment if they embarked on a venture that they perceived expected to fail. Although a majority of non-takers initially expressed interest in the supplement offer, case note reviews suggested that fewer than one third of non-takers actually ever looked for work during the 12 months permitted for initiating the supplement.

IMPACTS ON EMPLOYMENT, EARNINGS, INCOME ASSISTANCE, AND SSP SUPPLEMENT PAYMENTS

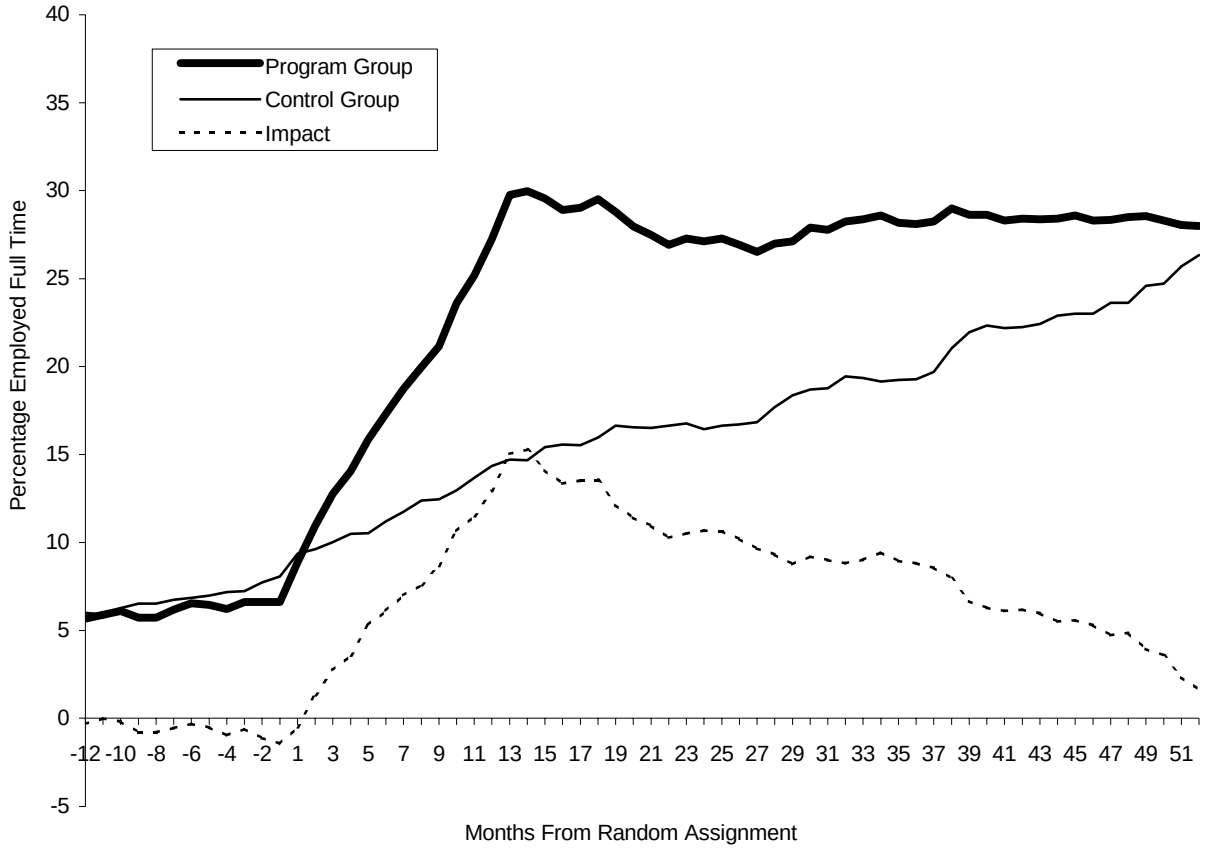
- SSP increased employment and earnings and reduced IA use.

Figure ES.1 represents the basic story of SSP's effects. During the year after entering the study, when program group members had to find full-time work to begin receiving the SSP supplement, the proportion of the program group working full time gradually climbed, from about 9 per cent at the time of random assignment to about 30 per cent at the beginning of the second year. During the same period, full-time employment for the control group increased more gradually, from about 9 per cent at the time of random assignment to about 15 per cent at the beginning of the second year. The difference between the two groups — 15 percentage points at the beginning of the second year — is a measure of SSP's impact on full-time employment. It is one of the largest effects on employment generated in a random assignment study of a policy designed to encourage welfare recipients to work.

SSP's effect on full-time employment declined steadily through the remainder of the follow-up period. Three factors contributed to this decline. First, people who did not qualify for a supplement payment in the first year lost the chance to receive it in the future. SSP therefore ceased to provide an incentive to members of the program group who did not qualify for the supplement during that first year. Second, the supplement may have encouraged some people to take full-time work before they were prepared to do so, and some supplement takers subsequently lost their full-time jobs. Finally, more control group members began working full time even without the supplement offer, as normally happens among welfare recipients.

SSP could have increased full-time employment either by encouraging people who would have worked part time to increase their hours slightly or by encouraging people who would not have worked in the absence of the supplement offer to move to full-time work. If people had primarily moved from part-time to full-time work, then the program's effect on employment overall would have been small. If, in contrast, people had moved primarily from not working to working full time, the program's effect on employment would have been similar to its effect on full-time work.

Figure ES.1: Percentage Employed Full Time, by Months From Random Assignment



Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.
Note: "Employed full time" is defined as working 30 hours or more in at least one week during the month.

The first two panels of Table ES.1 imply that SSP increased full-time work primarily by persuading people who would not have worked otherwise to work full time. In the second year after random assignment, for example, SSP increased full-time employment by more than 12 percentage points (from 16 per cent of the control group to more than 28 per cent of the program group), and it increased employment overall by more than 10 percentage points (from about 30 per cent of the control group to more than 40 per cent of the program group).

Because SSP primarily increased full-time employment, it also had a substantial effect on earnings. As with employment, the program's effects peaked in the second year, when program group members earned $370 per month on average compared with $269 for the average control group member, for an impact of $101 per person each month. When the program's effect on employment declined after the second year, the effect on earnings also declined. In the fourth year after random assignment, when some parents were still eligible for the earnings supplement, the program increased earnings by $52 per person each month.

Table ES.1: SSP Impacts on Employment, Earnings, Income Assistance, and Cash Transfers

Outcome	Program Group	Control Group	Difference (Impact)	
Monthly full-time employment (%) [a]				
Year 1	18.0	11.6	6.4	***
Year 2	28.5	16.0	12.6	***
Year 3	27.7	18.4	9.3	***
Year 4	28.5	22.3	6.1	***
Year 5, Quarter 1	28.3	25.0	3.3	***
Year 5, Quarter 2	28.0	26.5	1.5	
Monthly employment (%)				
Year 1	29.7	25.4	4.3	***
Year 2	40.6	30.1	10.4	***
Year 3	39.9	32.6	7.3	***
Year 4	41.2	36.8	4.4	***
Year 5, Quarter 1	42.1	39.8	2.3	*
Year 5, Quarter 2	41.8	41.9	0.0	
Average monthly earnings ($)				
Year 1	233	186	47	***
Year 2	370	269	101	***
Year 3	387	317	70	***
Year 4	476	424	52	**
Year 5, Quarter 1	499	462	36	
Year 5, Quarter 2	496	488	8	
Monthly IA receipt (%)				
Year 1	85.3	91.5	-6.2	***
Year 2	65.8	78.7	-12.9	***
Year 3	60.9	70.1	-9.2	***
Year 4	57.1	63.0	-5.9	***
Year 5	52.8	56.2	-3.4	***
Year 6, Quarter 1	49.2	52.0	-2.8	**
Year 6, Quarter 2	47.2	49.3	-2.1	
Average monthly IA payments ($)				
Year 1	759	794	-35	***
Year 2	587	690	-103	***
Year 3	516	591	-75	***
Year 4	458	506	-48	***
Year 5	411	437	-26	**
Year 6, Quarter 1	381	399	-18	
Year 6, Quarter 2	369	379	-11	
Average monthly payments from IA and SSP ($)				
Year 1	853	794	59	***
Year 2	778	690	88	***
Year 3	680	591	89	***
Year 4	547	506	41	***
Year 5	414	437	-23	**
Year 6, Quarter 1	381	399	-18	
Year 6, Quarter 2	369	379	-11	
Sample size (total = 4,852)	2,460	2,392		

Sources: Calculations from income assistance (IA) administrative records, payment records from SSP's Program Management Information System, the baseline survey, and 18-month, 36-month, and 54-month follow-up surveys.

Notes: Average monthly earnings are calculated by dividing the total yearly earnings by the total number of months in which information is not missing.

Sample sizes vary for individual measures of employment and earnings because of missing values.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

All analyses were only for those who responded to the 54-month survey.

[a] "Full-time employment" is defined as working 30 or more hours in at least one week during the month.

The rules of SSP prohibited people from simultaneously receiving the earnings supplement and income assistance. In other words, whenever SSP encouraged someone to work full time, it also encouraged her to stop receiving income assistance. The program's effects on IA receipt grew from about 6 percentage points in the first year to about 13 percentage points in the second year, and still was about 6 percentage points in the fourth year. Its effect on monthly IA payments grew from $35 per person in Year 1 to $103 per person in Year 2, and was still $48 per person in Year 4.

Although SSP reduced IA payments, it did so by paying earnings supplements that often were higher than the IA payments they replaced. As a result, supplement payments and IA payments to the program group, when taken together, averaged more per member than average IA payments to control group members. In the second year after random assignment, for example, payments to program group members averaged $778 per month, while IA payments to control group members averaged $690. In Year 4, when the program's effects on employment and IA use had declined, program group members received $41 more each month in IA and SSP supplement payments than control group members received in IA payments.

- SSP substantially increased income and reduced poverty.

Table ES.2 summarizes the effects of SSP on income, taxes and other transfers, and poverty during the six-month periods prior to the three follow-up surveys. Results from the 18-month and 36-month surveys tell a similar story. At both points in time, SSP significantly raised individual and family income, even after taking taxes into account. For example, during the six months prior to the 18-month survey, the program increased individual monthly after-tax income by $165 per program group member (from a level of nearly $1,200 for the control group). During the six months prior to the 36-month survey, the program increased individual after-tax income by $102 per month (again from a control group level of about $1,200).

By increasing income, SSP also substantially increased the number of families with income above Statistics Canada's low income cut-off. While about 14 per cent of the control group had income above the cut-off in the six months prior to the 36-month interview, for example, about 24 per cent of the program group had income above the cut-off, implying that the program reduced poverty by more than 9 percentage points. The reduction in poverty was even larger (about 12 percentage points) prior to the 18-month survey, when the program's effect on income was also larger.

One of the concerns about policies that supplement earnings is that people who would have worked without the supplement may take advantage of their extra income to cut back their work effort somewhat and rely somewhat more on cash transfers. Because SSP required full-time work and because people had to pay taxes on their extra earnings and their extra supplement payments, SSP was rather more efficient than earlier earnings supplement programs. At both the 18-month and the 36-month follow-up periods, every $1 increase in government cash transfer payments increased monthly after-tax income by $2 to $3. For example, within six months prior to the 36-month survey, the government spent $55 per month more in after-tax cash transfer payments, and individual after-tax income increased by $102 per month.

Table ES.2: SSP Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 18-Month, 36-Month, and 54-Month Follow-Up Interviews

Outcome	6 Months Prior to 18-Month Interview		6 Months Prior to 36-Month Interview		6 Months Prior to 54-Month Interview	
	Control Group	Difference (Impact)	Control Group	Difference (Impact)	Control Group	Difference (Impact)
Sources of individual income ($/month)						
Earnings	227	127 ***	355	59 **	485	19
SSP supplement payments	0	193 ***	0	162 ***	0	4 ***
Income assistance payments	723	-109 ***	573	-71 ***	446	-31 ***
Other transfer payments[a]	207	-9 **	238	2	300	0
Other unearned income[b]	54	2	93	-11	96	-17 **
Projected taxes and net transfer payments ($/month)						
Projected income taxes[c]	4	27 ***	63	33 ***	63	-4
Net transfer payments[d]	925	58 ***	758	55 ***	691	-26
Total individual and family income						
Total individual income ($/month)	1,222	210 ***	1,270	135 ***	1,340	-29
Total individual income net of taxes ($/month)	1,198	165 ***	1,207	102 ***	1,278	-25
Total family income ($/month)[e]	1,298	199 ***	1,450	148 ***	1,635	-10
Percentage with income above the low income cut-offs[f]	10.7	12.4 ***	14.3	9.4 ***	18.7	0.9
Sample size (total = 4,826)	2,373		2,373		2,373	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and p records from SSP's Program Management Information System.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differenc

All analyses were only for those who responded to the 54-month survey.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical significance lev indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

[a] Includes the Child Tax Benefit, the Goods and Services Tax Credit, Employment Insurance (EI), provincial tax credits, and, for month sample only, the Family Bonus.

[b] Includes alimony, child support, income from roomers and boarders, and other reported income.

[c] Includes projected EI premiums and Canada Pension Plan premiums deducted through payroll, and projected income taxes. Payroll deductions and income taxes were projected from federal and provincial tax schedules and data on earned and unearned income and SSP supplement payments; the actual taxes paid by sample members may differ from these projections.

[d] Includes public expenditures on SSP, IA payments, and other transfers, net of income tax revenue.

[e] Family income is measured by the sum of the sample member's income and the labour earnings of any other members in the family.

[f] Calculated by comparing annualized family income with the low income cut-offs defined by Statistics Canada for the sample member's location and family size.

- At the end of the follow-up period, program group and control group members were equally likely to work and receive income assistance.

Program group members had to initiate supplement receipt in the year after entering the study. Since they could receive the supplement for three years, their eligibility for the supplement ended sometime during the fourth year after random assignment. The effects of SSP were generally small at the end of the follow-up period, after parents could no longer receive the earnings supplement. For example, in the middle of the fifth year, about 27 per cent of the control group worked full time compared with 28 per cent of the program group, and average earnings for both groups were close to $500 per month. Moreover, a comparison of IA use in the sixth year found virtually no difference between the program and control groups.

Likewise, the effects of SSP on poverty were small at the end of the follow-up period. In the six-month period prior to the 54-month interview, close to 20 per cent of both the

program and control groups had income above the low income cut-offs, and the average individual in both groups had about $1,250 per month in after-tax income.

An analysis of the employment patterns of supplement takers and control group members implies that job loss among supplement takers was primarily responsible for the reductions in the program's effect in the second and third years after random assignment, but that control group catch-up was primarily responsible for reduced effects in the fourth and fifth years. If this is true, then the fact that the supplement was available for only three years was not responsible for the small impacts at the end of the follow-up period.

Put another way, many control group members went to work without the supplement offer, but SSP accelerated the return to work of many people in the program group. By accelerating the return to work, SSP had considerable cumulative effects over the entire follow-up period. For example, program group members worked full time for 14 months on average compared with fewer than 10 months for control group members, and the average program group member earned nearly $3,400 more than the average control group member over this period. Counting earnings and payments from income assistance and SSP supplements, the income for the average program group member was about $6,350 higher than for the average control group member over the entire follow-up period.

These results are even more impressive considering that they were probably concentrated among the 36 per cent of the program group that took up the supplement offer. Per supplement taker, SSP increased full-time work experience by nearly a year, increased earnings by more than $9,000, and increased cumulative income from earnings, IA payments, and supplement payments by about $17,600.

€ SSP benefited a wide range of IA recipients.

SSP's impacts on full-time employment were spread quite evenly across a broad range of subgroups of sample members. By making work pay better than welfare, SSP increased full-time employment among high school graduates as well as dropouts, those with and those without health barriers, those with and without young children, and those with limited prior work experience as well as those with considerable experience. Even among people who thought they could not work because of physical disabilities, problems with child care, or family or personal responsibilities, SSP had more than doubled full-time employment by the beginning of the second year after random assignment.

SSP was successful in both British Columbia and New Brunswick, two very different places with different populations, economies, and IA systems. Moreover, many of the program's effects were similar in the two places, in part because the generosity of SSP was set at different levels in the two provinces to achieve similar effects. In both provinces, for example, about 35 per cent of program group members ever received the supplement, and the program's effect on cumulative income was about $6,000. The fact that SSP was effective in such different locations adds credibility to the notion that the offer of an earnings supplement can have important effects in a variety of circumstances and locations.

Although supplement receipt and income gains were similar in the two provinces, impacts on IA receipt and full-time employment were somewhat higher in New Brunswick than in British Columbia. For example, in Quarter 5, SSP reduced IA receipt by 16.3 percentage points in New Brunswick, compared with 10.3 percentage points in British Columbia. The differences

were particularly striking at the end of the follow-up period. While the effects of SSP were close to zero in British Columbia, in New Brunswick the program continued to reduce IA receipt (by 6.5 percentage points) and increase full-time employment (by 5.4 percentage points).

THE EFFECTS OF SSP ON CHILDREN

SSP was intended primarily to encourage parents to go to work, but the extra work and income stemming from the program might have had a host of other effects on children of the parents who were affected by the supplement offer. SSP collected data to determine whether policies that increase employment and income among single parents benefit children or whether children suffer because increased employment (particularly full-time employment) reduces the time that children spend with their parents and increases their parents' stress.

Table ES.3 summarizes the effects of SSP on young children.

Table ES.3: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Infants/Toddlers and Preschoolers at Random Assignment

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)
Infants/Toddlers (1–2 years old at random assignment)						
Academic functioning						
PPVT-R score[a]	92.0	90.7	1.3	—	—	—
Above average, any subject (%)	—	—	—	77.3	73.7	3.6
Below average, any subject (%)	—	—	—	9.9	11.5	-1.7
Behaviour and emotional well-being						
Behaviour problems[b]	1.5	1.5	0.0	1.3	1.3	0.0
Positive social behaviour[b]	2.5	2.6	0.0	2.7	2.7	0.0
Sample size	369	396		554	605	
Preschoolers (3–5 years old at random assignment)						
Academic functioning						
PPVT-R score[a]	93.6	91.7	1.9	—	—	—
Math score[c]	0.4	0.3	0.1 **	—	—	—
Above average, any subject (%)	74.8	70.9	3.9	78.7	73.7	5.0 **
Below average, any subject (%)	15.7	21.7	-6.0 *	17.0	21.8	-4.8 **
Behaviour and emotional well-being						
Behaviour problems[b]	1.4	1.4	0.0	1.3	1.3	0.0
School behaviour problems[d]	1.2	1.2	0.0	—	—	—
Positive social behaviour[b]	2.6	2.6	0.0	2.7	2.7	0.0
Sample size	387	374		577	560	

Sources: Calculations from the 36-month and 54-month follow-up surveys.

Notes: Only children who were in the home at random assignment were analyzed.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels of significance are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a]The Peabody Picture Vocabulary Test–Revised (PPVT-R) is a test of children's understanding of words. Scores reported are standardized scores.

[b]Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).

[c]The math score reflects the proportion of items answered correctly in a math skills test.

[d]Parents of children were asked how often in the past school year they were contacted by the school about their child's behaviour problems in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

€ SSP neither harmed nor benefited the youngest children.

On the basis of a standardized test of vocabulary skills given at the 36-month follow-up and parent reports at both the 36-month and the 54-month follow-ups, program group and control group children who were infants or toddlers (1 or 2 years of age) at the time of random assignment had similar levels of cognitive and academic achievement. SSP also did not significantly affect these children's behaviour or health at either point. In short, SSP did not significantly affect very young children's functioning and behaviour. Considering how young the children were at the start of the program, it is reassuring that the increases in full-time maternal employment did not result in negative effects for these children.

€ SSP improved cognitive and school achievement of young school-age children.

For children who were pre-schoolers (3 or 4 years of age) at the time of random assignment, SSP improved both cognitive skills and academic achievement according to both a standardized math test (given at the 36-month follow-up) and parent reports. Moreover, the program improved their academic achievement both while parents were receiving the supplement and after they were no longer eligible for the supplement. These findings suggest that the benefits young school-age children experienced during the period of supplement eligibility set the children on a trajectory that was sustained after families reached the three-year time limit. There was little indication, however, that SSP affected children's behaviour or health.

Table ES.4 summarizes the effects of SSP on adolescents.

Table ES.4: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Young Adolescents and Older Adolescents at Random Assignment

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)
Young adolescents (13–15 years old at random assignment)						
Academic functioning						
Parental report						
Above average, any subject (%)	68.5	70.2	-1.8	—	—	—
Below average, any subject (%)	33.3	35.1	-1.8	—	—	—
Adolescent report						
Above average, any subject (%)	80.9	86.9	-6.0	—	—	—
Below average, any subject (%)	85.5	74.8	10.7 **	—	—	—
Dropped out of school (%)	13.0	10.4	2.6	31.8	28.9	2.9
Completed 12th grade (%)	—	—	—	33.1	31.0	2.1
Attending college (%)	1.2	1.5	-0.3	9.4	8.6	0.7
Behaviour and emotional well-being						
Parental report						
School behaviour problems[a]	1.4	1.4	0.0	—	—	—
Adolescent report						
Ever had a baby (%)	—	—	—	16.2	14.1	2.1
Ever been arrested (%)	—	—	—	19.7	19.6	0.1
Frequency of delinquent activity[b]	1.4	1.3	0.1 **	—	—	—
Any smoking (%)	42.4	38.9	3.5	—	—	—
Drinks once a week or more (%)	18.1	8.3	9.7 **	—	—	—
Any drug use (%)	29.1	24.3	4.8	—	—	—
Sample size	230	202		461	406	

(continued)

Table ES.4: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Young Adolescents and Older Adolescents at Random Assignment (Cont'd)

Outcome	36-Month Follow-Up			54-Month Follow-Up		
	Program Group	Control Group	Difference (Impact)	Program Group	Control Group	Difference (Impact)
Older adolescents (16–17 years old at random assignment)						
Dropped out of school (%)	—	—	—	34.2	29.3	4.9
Completed 12th grade (%)	—	—	—	58.7	63.1	-4.4
Attending college (%)	—	—	—	13.9	11.4	2.5
Ever had a baby (%)	—	—	—	27.8	18.1	9.7 **
Ever been arrested (%)	—	—	—	17.1	18.0	-0.9
Sample size				257	247	

Sources: Calculations from the 36-month and 54-month follow-up surveys.

Notes: Only children who were in the home at random assignment were analyzed.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] Parents of children were asked how often in the past school year they were contacted by the school about their child's behaviour problems in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[b] Frequency of delinquent activity is rated on a scale from 1 (never) to 4 (five or more times).

- SSP had some negative effects for young adolescents while parents were receiving the supplement.

At the 36-month follow-up point, young adolescents (13, 14, or 15 years of age at the time of random assignment) in the program group reported doing worse in school and being more likely to have committed minor acts of delinquency such as smoking and drinking. However, at the 54-month follow-up point, program group and control group parents provided similar reports regarding the behaviour, health, and academic achievement of these adolescents. After parents were no longer eligible for the supplement, there were no significant differences between the program group and control group adolescents, although information about the outcomes on which young adolescents performed significantly worse at the earlier follow-up period was not collected in the final follow-up interview. This finding suggests that young adolescents may have been harmed by a lack of supervision when parents were working full time but that the negative effects of SSP were temporary.

- SSP had few significant effects for older adolescents.

SSP did not significantly affect school progress or involvement in school and work for older adolescents, who were 16 or 17 years of age at the time of random assignment. Older adolescents in the program group were more likely to have had a baby by the 54-month follow-up, but this increase in fertility was not associated with other negative outcomes, such as dropping out of school or being unemployed. Moreover, the adolescents in this group were adults by the end of the follow-up period, and there may be less reason to be concerned about whether they had given birth.

WHAT HAPPENED TO FAMILIES AFTER THE CLIFF?

As has been discussed, about 36 per cent of the program group received at least one supplement payment. These families faced a "cliff" three years later when their eligibility to take home generous supplement payments ended.

- Among regular recipients of SSP supplement payments, income dropped substantially after families were no longer eligible for the supplement. However, families did not alter their expenditures or experience increased hardship.

Among supplement takers, 291 received the supplement regularly (in at least five of the last six months of their supplement eligibility) and therefore were most likely to experience the effects of the cliff (the "cliff sample").

As is shown in Table ES.5, supplement payments represented a substantial portion of income for this group. A family in the cliff sample received about $600 per month on average from the supplement, which they lost when they were no longer eligible for the supplement. Moreover, their average monthly income grew from about $1,200 during the month of random assignment to about $1,800 per month when they were eligible for the supplement and then diminished somewhat — to less than $1,500 per month — after they were no longer receiving supplement payments.

Table ES.5: Average Monthly After-Tax Income in the Six Months Prior to Each Interview for the Cliff Sample of Intensive Supplement Recipients, by Source

	Interview Month			
Income Source ($)	Baseline	18	36	54
Earnings	238	771	908	1,042
SSP supplement	0	576	593	20
Income assistance	725	177	38	75
Unemployment insurance	16	21	23	49
Child Tax Credit	129	133	149	153
Alimony/child support	31	49	56	55
Other income	64	54	53	67
Total	1,204	1,780	1,821	1,460
Sample size: 291				

Sources: Baseline survey, 18-month, 36-month, and 54-month follow-up surveys and administrative records.

Note: A member of the "cliff sample" is a supplement taker who received supplement payments in five of the last six months of supplement eligibility.

Rounding may cause slight discrepancies in sums and differences.

To some extent, these families were able to replace the income lost when they could no longer receive the SSP earnings supplement. Affected families returned to the IA rolls, and the average IA benefit doubled after the cliff (but was about only 10 per cent of what it had been at random assignment). A few families were able to make claims from the unemployment insurance system, and income from this source doubled after the cliff. Perhaps most important, the average earnings of cliff sample members increased slightly after the cliff, implying that the supplement was not the only reason they were working full time.

Families had less income after the cliff, but their total expenditures on basic necessities such as food, clothing, and rent decreased only slightly (not shown in Table ES.5). Likewise, families generally reported only slight increases in hardship after the cliff. For example, 16 per cent of families indicated they had difficulty affording groceries when they were receiving the supplement, compared with 18 per cent after the cliff. Perhaps the amount of hardship was kept relatively low and the amount of spending kept relatively high by borrowing money. For example, average debt on all items other than a mortgage increased from about $2,100 to more than $2,700 per cliff sample family.

Although earnings, income, IA use, and other outcomes for the cliff sample changed over time, it is important to remember that these changes do not represent how much the supplement changed these outcomes relative to what they would have been without the supplement offer. Income for other sample members — both supplement takers and non-takers — also changed over time, and earlier sections of this Executive Summary describe the overall effects of the supplement offer on income. When the entire study sample is considered, SSP did not have a significant effect on hardship or average debt at the end of the follow-up period.

- Losing the SSP earnings supplement may have caused some people to leave work or return to the IA rolls, but most regular supplement recipients did not change their behaviour when they lost eligibility for the supplement.

Full-time employment for the cliff sample did decline over time after sample members lost their eligibility for the supplement. Since the members of this group were consistently receiving the supplement, most of them were also working full time near the end of their eligibility period. Eight months after they had lost their eligibility for the supplement, about 70 per cent of the cliff sample were working full time, compared with more than 90 per cent six months prior to the cliff. In comparison, employment of other SSP takers (that is, those who received it sporadically) changed very little after the cliff.

IA receipt for the cliff sample likewise increased from virtually zero prior to the cliff (since everyone in the group was receiving SSP supplements in most months) to about 13 per cent eight months after the cliff. IA use for other supplement takers did not change in any obvious way when their eligibility for the supplement ended.

COSTS AND BENEFITS OF SSP

SSP had impressive effects on employment, welfare use, income, and children's outcomes. To achieve these results, the program had to spend more on cash transfers, and it had to implement a new program with new rules and infrastructure. At what cost were the gains of SSP achieved, and were those costs outweighed by the benefits of the program? That is the primary question addressed by the SSP benefit-cost analysis.

Costs to one person may be benefits to another. For example, SSP supplement payments were paid by the government but provided vital income to many poor families. In studying costs and benefits, the benefit-cost analysis explores three perspectives: SSP program group members, the government, and society as a whole. The program group's perspective identifies net gains or losses for members of the SSP program group. For example, program group members earned more and received SSP supplement payments, but they paid more in taxes and had to give up IA payments to receive the supplement. The government's perspective identifies gains and losses incurred by a combination of the federal and provincial governments that fund such programs. The government paid for cash transfer payments and for administering the program, but it gained through increased income and sales tax receipts. The perspective of society as a whole combines the perspectives of the program group and those outside the program (that is, the taxpayers who fund the federal and provincial government budgets). A net loss to society occurs when a loss from one perspective is not a gain from another. For example, the government paid to operate SSP, but these costs did not directly provide income to the program group. Likewise, a net gain to society occurs when a gain to one group is not a loss to another. Transfer payments — such as IA and SSP supplement payments — represent neither a loss nor a gain to society, since some people pay for the benefits while others receive them.

The benefit-cost analysis presents results primarily for outcomes that can be easily measured in dollar amounts. It does not attempt to value outcomes such as children's cognitive achievement or the time that parents spend with children. For outcomes such as earnings and cash transfer payments, results in the benefit-cost analysis differ from results in the impact analysis for two reasons. First, the SSP benefit-cost analysis projected earnings through five years to account for the small ongoing effects of the program. Second, results in the benefit-cost analysis were adjusted for inflation and are expressed in present value terms to account for the notion that income gains earlier in the program could have been invested and therefore were more valuable than income gains later in the period.

- SSP provided more than $5,200 in extra income and other benefits to the average family in the program group.

As was described earlier, SSP increased the income that program group members received in a number of ways, which are summarized in the first column in Table ES.6. SSP increased cash transfer payments, primarily through SSP supplement payments (on average $3,173 more for program group members than for control group members). The program increased earnings and resulted in jobs that provided extra fringe benefits (on average $4,100 more for program group members than for control group members in earnings and the value of fringe benefits). Program group members had to pay payroll and income taxes on their additional earnings and had to pay income taxes on their supplement payments (program group members paid on average $2,126 more in estimated taxes and in lost tax credits than did control group members). Summing up the various gains and losses, program group members experienced a financial gain of $5,256 because of SSP.

Table ES.6: Five-Year Estimated Net Gains and Losses per SSP Program Group Member, by Accounting Perspective (in 2000 Dollars)

Component of Analysis	Accounting Perspective: Program Group	Government Budget	Society
Financial effects			
Transfer payments	3,173	-3,173	0
Transfer payment administration	0	-232	-232
Operating cost of SSP[a,b]	0	-1,267	-1,267
Program management information systems[b]	0	-37	-37
Supports for work[c]	108	-108	0
Earnings and fringe benefits	4,100	0	4,100
Taxes and premiums[d]	-1,732	1,732	0
Tax credits	-394	394	0
Net gain or loss (net present value)	5,256	-2,691	2,565

Sources: Calculations from Income Assistance (IA) administrative records; payment records from SSP's Program Management Information System (PMIS), Employment Insurance (EI) administrative records; SRDC expenditure reports for Systemhouse, Vinge and Family services; annual reports for the provinces of British Columbia (1995–1996) and New Brunswick (1994–1995); 18-month, 36-month, and 54-month follow-up surveys; and federal and provincial tax regulations as provided in the 2000 Canadian Master Tax Guide, the Canada Customs and Revenue Agency (CCRA) 1999 Tax Guide and Forms, and government publications.

Notes: All costs are discounted and adjusted for inflation except operating and Program Management Information costs which are not discounted.

Five-year estimates include observed values of IA and SSP payments, but some months of earnings were imputed for those individuals who had fewer than five years of earnings data available.

Rounding may cause slight discrepancies in sums and differences.

[a]IA operating costs are part of payment administration. For IA this cost does not include any outreach or orientation.

[b]Operating and PMIS costs were not projected to five years. These estimates reflect the cost of operating SSP for the observed period, which is approximately four and a half years, but varies with the date of the 54-month survey interview.

[c]Includes imputed child care subsidies for both provinces and Transportation/Transition to Work benefits in British Columbia.

[d]Amounts shown include the employee portion of EI and Canada Pension Plan (CPP) Premiums. The employer contribution to these premiums is included as part of fringe benefits of employment. For simplicity, the employee portion of CPP premiums is counted as a cost to the program group. However, these costs would likely be more than offset by future pension payments.

- SSP cost the federal and provincial governments about $2,700 per program group member beyond what was spent on the control group.

To provide the benefits that accrued to families from SSP, the government spent money on a number of activities, including operating and administering the program and paying for earnings supplements (shown in the second column of Table ES.6). The main cost of SSP to the government was in the form of cash transfer payments ($3,173 more spent on program group members than on control group members, on average), although the government recouped much of this in the form of higher taxes ($2,126 more per program group member than control group member). The federal and provincial governments also paid for operational and administrative costs of SSP. SSP required staff to conduct the activities such as orientation and outreach that were described earlier. The cost of conducting these activities was $1,536 per program group member (net of savings in the administration of the IA program when program group members left income assistance to receive SSP's earnings supplements). Summing up various payments and gains shows that the governments spent $2,691 per program group member to achieve SSP's benefits.

- From the perspective of society as a whole, SSP's benefits outweighed its costs.

As was described above, the federal and provincial governments spent $1,536 per program group member administering SSP, over and above what would have been spent administering the IA program if no program group member had left income assistance for SSP. The extra spending increased earnings and the value of fringe benefits to program group members by $4,100 on average (again, compared with the earnings of the average control group member). Thus, SSP provided a net benefit to society of nearly $2,600 per program group member (shown in the last column of Table ES.6).

SSP was one of the most efficient programs designed to encourage work by supplementing earnings. In comparison, the negative Income Tax experiments run in the United States in the 1970s found that supplementing family income actually cost society by encouraging people to work less (Burtless, 1987). More recently, a program in Minnesota that allowed long-term welfare recipients to keep more of their welfare cheques when they went to work but required them to participate in services designed to help them find work neither benefited nor cost society when it increased parents' earnings (Miller et al., 2000).

It is important to recognize that these financial costs and benefits do not take into account nonfinancial benefits or costs, such as the benefit to society when children perform better in school, the costs to parents who give up their time with their children, or the benefits to parents if their emotional well-being improves because they work. Likewise, this accounting does not include many indirect financial costs and benefits, such as increased payments to child care providers from parents who go to work. It is not clear how these other nonfinancial costs and benefits would change the basic finding that society benefited from SSP.

ADDING SERVICES TO THE SSP INCENTIVE: SSP PLUS

Although SSP's financial work incentive encouraged a substantial amount of work by itself, only about one third of the people who were offered the supplement were able to find the full-time jobs required to take up the offer. In addition, many of the people who took advantage of the supplement offer soon lost their jobs.

Anticipating these problems, SSP also tested an enhanced version of the earnings supplement program called SSP Plus. In SSP Plus, a small group of IA recipients in New Brunswick was offered both the earnings supplement and a range of employment services that were designed to help them find work, maintain that work, and advance in a career (described in greater detail in the accompanying box). Services in SSP Plus could be used whenever a group member thought she could benefit from them and in whatever form she thought she would benefit from them.

Services Available to SSP Plus Program Group Members

Employment Plan. A blueprint for self-sufficiency was drawn up for each group member. It included information on employment barriers, goals, and anticipated use of SSP Plus services.

Resumé Service. SSP Plus program staff members were available to draft, type, format, proofread, and print resumés.

Job Club. Program group members were encouraged to enrol in job clubs led by SSP Plus job coaches. Emphasis was on early contact with employers, consistent follow-up, and the importance of maintaining a positive attitude.

Job Coaching. Program group members formed one-on-one relationships with SSP Plus program staff members, who offered practical advice and emotional support.

Job Leads. SSP Plus program staff collected and distributed news of job openings.

Self-Esteem Workshop. Program group members participated in exercises designed to build self-esteem.

Other Workshops. Workshops targeted program group members confronting job loss or looking for higher-paying positions.

For this study, examining the effects of combining the earnings supplement with voluntary job-related services, research sample members in New Brunswick who were recruited for SSP between November 1994 and March 1995 were randomly assigned to three groups. Those in the SSP Plus program group were offered both the earnings supplement and SSP Plus services, those in the regular SSP program group were offered only the supplement, and those in the control group were offered neither the earnings supplement nor SSP Plus services. Of the 892 recipients who were randomly selected and agreed to be part of the study, 765 completed the 54-month interview and are examined in this report — 256 in the SSP Plus program group, 258 in the regular SSP program group, and 251 in the control group.

- SSP Plus program group members made substantial use of the employment services they were offered, and they used more services than did regular SSP program group members.

Prior to finding work, nearly all members of the SSP Plus program group used the employment plan, and this was the service they usually received first. In addition, more than two thirds used the resumé service at least once, three quarters received job coaching, and nearly two thirds received job leads (primarily by phone). The job club was the service least likely to be used.

Fewer people used services after they went to work. For example, only about one fifth of supplement takers completed an employment plan or used the resumé service after they had initiated supplement receipt. In contrast, because job coaches made a conscious effort to step up contact with program group members after they found employment and because job coaching focused on job retention and job advancement, three in five supplement takers received job coaching after initiating supplement receipt. The intensive use of job-coaching

and job-leads services by supplement takers after the supplement take-up could have some bearing on outcomes such as supplement receipt and employment.

Although regular SSP program group members were free to use outside services, members of the SSP Plus program group used more job-search services than members of the regular SSP program group. The 18-month follow-up survey indicated that 48 per cent of SSP Plus program group members participated in organized job-search activities, compared with 32 per cent of the regular SSP program group and 27 per cent of the control group. Field data also indicated that the job-search and other services SSP Plus offered were qualitatively different from those offered by income assistance or other providers. Services focusing on job retention and job advancement were generally unavailable in program group members' communities.

- The addition of employment services in SSP Plus significantly increased the likelihood of supplement receipt and had substantial effects on employment, earnings, and IA use.

About half the long-term welfare recipients in New Brunswick who were offered SSP Plus services found full-time work in the year after entering the study and therefore were able to initiate supplement receipt. In contrast, only about 37 per cent of regular SSP program group members took up the supplement offer. Thus, adding voluntary employment services to the SSP supplement offer increased supplement take-up by about 16 percentage points.

Table ES.7 shows some of the subsequent effects of SSP Plus. The primary question for SSP Plus is whether adding services to the supplement offer produced larger effects than the supplement offer by itself. This incremental effect can be determined by comparing outcomes for the SSP Plus program group with outcomes for the regular SSP program group that was randomly assigned when random assignment for SSP Plus took place (that is, between November 1994 and March 1995). This comparison is shown in the far right-hand column of Table ES.7.

During the first three years, the effects of adding services to the supplement offer were quite small. For example, the effect on full-time employment of adding services to the incentives was not statistically significant. Likewise, the additional effect of services on earnings, IA use, and IA payments were all statistically insignificant.

In the fourth year, however, the incremental effects of services began to grow. For example, adding services to the supplement offer increased full-time employment by about 7 percentage points (from about 33 per cent of the regular SSP program group to about 40 per cent of the SSP Plus program group). Likewise, the additional services began to have substantial effects on earnings (an impact of $132 per month), IA use (a reduction of about 11 percentage points), and IA payments (a reduction of $72 per month).

Table ES.7: SSP and SSP Plus Impacts on Employment, Earnings, Income Assistance, and Cash Transfers

Outcome	Average Outcome Levels: SSP Plus Program Group (1)	Average Outcome Levels: Regular SSP Program Group (2)	Average Outcome Levels: Control Group (3)	SSP Plus vs. Control: Impacts of Financial Incentives and Services (4)	Regular SSP vs. Control: Impacts of Financial Incentives Alone (6)	SSP Plus vs. Regular SSP: Added Impacts of Services (8)
Monthly full-time employment (%)						
Year 1	22.4	21.1	12.1	10.3 ***	9.0 ***	1.3
Year 2	33.6	35.9	16.5	17.1 ***	19.5 ***	-2.4
Year 3	36.6	34.1	19.5	17.1 ***	14.6 ***	2.5
Year 4	40.1	32.8	25.7	14.4 ***	7.0 **	7.4 **
Year 5, Quarter 1	38.0	33.2	30.9	7.1 *	2.3	4.8
Year 5, Quarter 2	39.7	33.4	31.3	8.4 **	2.1	6.3
Average monthly earnings ($)						
Year 1	245	207	158	87 ***	49 **	38 *
Year 2	376	377	247	128 ***	130 ***	-2
Year 3	444	394	312	132 ***	82 **	50
Year 4	574	442	406	167 ***	35	132 **
Year 5, Quarter 1	580	481	484	96	-3	99 *
Year 5, Quarter 2	593	482	515	78	-33	111 *
Monthly IA receipt (%)						
Year 1	81.9	82.5	90.9	-9.1 ***	-8.4 ***	-0.6
Year 2	57.1	59.3	75.5	-18.4 ***	-16.2 ***	-2.3
Year 3	50.4	55.7	69.2	-18.8 ***	-13.5 ***	-5.3
Year 4	44.3	55.3	61.5	-17.3 ***	-6.2 *	-11.0 ***
Year 5	42.9	51.7	54.5	-11.6 ***	-2.8	-8.8 **
Year 6, Quarter 1	39.3	48.1	49.2	-9.9 **	-1.1	-8.8 **
Year 6, Quarter 2	39.7	46.2	46.0	-6.4	0.2	-6.6
Average monthly IA payments ($)						
Year 1	590	595	646	-56 ***	-51 ***	-5
Year 2	420	429	539	-119 ***	-110 ***	-9
Year 3	372	414	503	-131 ***	-89 ***	-42
Year 4	333	404	452	-119 ***	-48 *	-72 **
Year 5	311	369	383	-72 **	-14	-58 **
Year 6, Quarter 1	288	338	350	-62 **	-12	-50
Year 6, Quarter 2	291	331	326	-35	5	-40
Average monthly payments from IA and SSP ($)						
Year 1	712	702	644	68 ***	58 ***	10
Year 2	658	637	541	117 ***	96 ***	21
Year 3	602	606	504	99 ***	102 ***	-4
Year 4	489	502	454	35	48 *	-14
Year 5	317	372	383	-66 **	-12	-54 *
Year 6, Quarter 1	288	338	350	-62 **	-12	-50
Year 6, Quarter 2	291	331	326	-35	5	-40
Sample size	256	258	251			

Sources: Calculations from income assistance (IA) administrative records, payment records from SSP's Program Management Information System, the baseline survey, and 18-month, 36-month, and 54-month follow-up surveys.

Notes: Average monthly earnings are calculated by dividing total yearly earnings by total number of months in which information is not missing.

Sample sizes vary for individual measures of employment and earnings because of missing values.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

All analyses were only for those who responded to the 54-month survey.

[a] "Full-time employment" is defined as working 30 or more hours in at least one week during the month.

- The effects of additional services were still substantial near the end of the follow-up period.

Although the total effect of SSP Plus declined somewhat after the second year, the effects of the added services were still substantial near the end of the follow-up. In the first quarter of Year 5 — after program group members had ceased being eligible to receive the earnings supplement — the added services continued to increase earnings by about $99 per month (from $481 for the regular SSP program group to $580 for the SSP Plus group). In the first quarter of Year 6, the added services reduced IA receipt by nearly 9 percentage points (from 48.1 per cent of the regular SSP program group to 39.3 per cent of the SSP Plus group).

The ongoing effects of SSP Plus are encouraging, but it is important to remember that SSP Plus was a small study. Only about 250 SSP Plus program group members are studied in this report compared with nearly 2,500 program group members in the main SSP study, and the SSP Plus study was conducted only in New Brunswick. The small number of people involved in the SSP Plus study makes it difficult to know how large the effects of a larger program would be, and further research on a larger version of SSP Plus would help to clarify how effective job-related services are at assisting the effects of a generous financial incentive.

POLICY IMPLICATIONS

Results from the SSP recipient study contain the following implications for welfare policy-makers.

- Financial incentives alone can encourage long-term welfare recipients to work full time.

It may sound obvious that incentives matter to welfare recipients, but when the SSP project began this opinion was associated more with conservative critics of welfare who decried the disincentives of the welfare system than with reformers who hoped to use positive incentives to encourage work. Skeptics of SSP thought that long-term welfare recipients had too many personal problems to make the leap to full-time work and that SSP's supplement offer would consequently have little effect on behaviour. They pointed to prior research that supposedly showed small effects from financial incentives allowing welfare recipients to keep more of their welfare cheque when they went to work. The skeptics were at least partly wrong. In SSP, more than one third of the long-term welfare recipients who were offered the earnings supplement went to work full time, and the program doubled full-time employment at its peak.

- When structured properly, programs with financial incentives can be quadruple

  benefiting society.

During the four-and-a-half-year period in which people were studied, SSP increased full-time employment by 44 per cent over control group levels, increased earnings by 20 per cent, increased income by 13 per cent, and substantially increased the number of families with income above Statistics Canada's low income cut-offs. By providing these benefits at

relatively low administrative costs, SSP also provided benefits to society estimated at nearly $2,600 per program group member. This combination of such large effects on earnings, income, and poverty with net gains to society has rarely been seen in a random assignment study of a program to encourage welfare recipients to work.

The structure of the supplement offer contributed to this unique combination of effects. The supplement was offered only to people who had been on welfare for a year, it was given only to people who found full-time work within a year, it was available only for three years, and it was paid only to those who worked full time. All these features increased the efficiency of the program by offering the supplement to people who would be relatively unlikely to work on their own and by ensuring that people who received the supplement also gained a substantial amount of their income from earnings. A change in any of these rules would have made SSP more expensive and less efficient, or would have benefited fewer people.

- Raising the income of poor families also provides benefits to their elementary-school-age children, and those benefits can be sustained.

In SSP, children who were in elementary school at the end of three years performed better than their control group counterparts in school and on tests of cognitive skills, and some of these effects were sustained after parents were no longer eligible for the supplement. This result confirms other findings that income is important for children's development and that increased income can have long-lasting effects for children. However, very young children and adolescents did not benefit from SSP, suggesting that other policies such as after-school programs for adolescents may be important when parents are asked to work full time.

- Combining other policies with financial incentives might increase their effects.

About one third of the program group worked full time and received at least one supplement payment. Two thirds did not. The fact that many families did not benefit from the supplement offer does not reflect badly on SSP, since no program can help everyone. Nevertheless, results from the SSP study suggest some ways in which a financial work incentive could be augmented to provide broader benefits, to encourage more people to work, and to sustain the effects of the program over a longer period of time.

SSP Plus provided evidence of one type of augmented financial incentive and showed that adding voluntary employment services to a generous financial incentive could help many more people find full-time jobs. SSP Plus further indicated that the added services generated longer-lasting effects than the financial incentive alone. Perhaps future programs like SSP could include additional efforts to help people advance in their careers or find sustainable jobs while they are still eligible for the supplement.

Interviews of parents who did not take up the supplement offer provide additional suggestions. Most of the parents who did not take up the supplement offer said they were interested in the supplement but could not find full-time work or could not overcome various barriers to work within a year of entering the program. A challenge for policy-makers interested in implementing an SSP-like financial work incentive is to find other policies that would help welfare recipients benefit from the earnings supplement by overcoming barriers such as child care and transportation problems, physical and emotional disabilities, substance abuse, and domestic violence.

Chapter 1:
The Self-Sufficiency Project

This is the final report of the Self-Sufficiency Project (SSP) study of long-term welfare recipients. SSP was a research and demonstration project designed to test a policy innovation that makes work pay better than welfare. Conceived and funded by Human Resources Development Canada (HRDC), managed by the Social Research and Demonstration Corporation (SRDC), and evaluated by the Manpower Demonstration Research Corporation (MDRC) and SRDC, SSP offered a temporary earnings supplement to selected long-term income assistance (IA) recipients in British Columbia and New Brunswick. The earnings supplement was a monthly cash payment available to single parents who had been on income assistance for at least one year and who left income assistance for full-time work. The supplement was paid on top of earnings from employment for up to three years, as long as the person continued to work full time and remained off income assistance. While collecting the supplement, the single parent received an immediate payoff from work; for a person working full time at the minimum wage, total income before taxes was about twice her earnings.[1]

To measure the effects of its financial incentive, SSP was designed as a social experiment using a rigorous, random assignment research design. In the SSP recipient study,[2] the subject of this report, a group of about 6,000 single parents in British Columbia and New Brunswick who had been on income assistance for at least a year was selected at random from the IA rolls. One half of these people were randomly assigned to a program group and offered the SSP supplement, while the remainder formed a control group. This is the final report on the recipient study, and it describes the impacts of the supplement offer through four and one half years after random assignment.

Members of the program group were allowed to qualify for the supplement during the year after random assignment and could receive the supplement for three years after qualifying. A person who found full-time work immediately could consequently receive the supplement until the end of the third year after random assignment. A person who did not find full-time work until the end of the first year, on the other hand, could receive the supplement until the end of the fourth year after random assignment. As a result, most program group members had ceased to be eligible for the earnings supplement at least 6 months prior to the end of the period covered in this report, and as long as 18 months prior to the end of the follow-up period.[3] The key questions of this report are whether the SSP program increased parents' earnings and income, whether it reduced reliance on welfare, whether it harmed or benefited children, how much it cost, and whether the supplement offer had ongoing effects in the period after parents were no longer eligible to receive it.

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[1] Feminine pronouns are used in this report because more than 95 per cent of single parents who have received income assistance for at least a year — the target group for SSP — are women.

[2] The recipient study is so called to distinguish it from a substudy of new applicants to welfare, described later in this chapter.

[3] Because of normal administrative delays associated with initiating supplement payments, 86 program group members received their last supplement payment after Month 48. However, all had stopped receiving the supplement before the 54-month interview.

AN OVERVIEW OF THE SSP PROJECT

The SSP Supplement Offer

The key features of the earnings supplement program were as follows:

- **Full-time work requirement.** Supplement payments were made only to eligible single parents who worked full time (an average of at least 30 hours per week over a four-week or monthly accounting period, whether in one or more jobs) and who left income assistance. The full-time work requirement ensured that (1) supplement recipients were preparing for self-sufficiency, since most IA recipients would have to work full time in order to earn enough to remain off income assistance; (2) most supplement recipients needed to increase their work effort to qualify, since few IA recipients already worked full time; and (3) earnings were substantial enough so that earnings plus the supplement payment represented a large increase in income for most people receiving the supplement.

- **Substantial financial incentive.** The supplement was calculated as half the difference between a participant's earnings from employment and an "earnings benchmark" set by SSP for each province.[4] The benchmark for each province was set at a level that would make full-time work pay better than income assistance for most recipients. During the first year of operations, the benchmark was $37,000 in British Columbia and $30,000 in New Brunswick.[5] Therefore, for example, a participant in British Columbia who worked 35 hours per week at $7 per hour earned $12,740 per year and collected an earnings supplement of $12,130 per year ($37,000 minus $12,740, divided by 2), which adds up to a total gross income of $24,870. Unearned income (such as child support) or earnings of other family members did not affect the amount of the supplement. When tax obligations and tax credits were taken into account, most families had incomes $3,000 to $7,000 per year higher with the earnings supplement program than if they worked the same number of hours and remained on income assistance.

- **Gradual reduction in benefits as earnings increase.** Reductions in the supplement amount occurred more gradually than they do in the case of IA benefits. The supplement was reduced by 50 cents for every dollar of increased earnings, following the supplement calculation formula described above. The supplement was fully phased out only at the earnings benchmark levels.

- **Availability to single-parent families only.** Recruitment for the study was limited to single parents for several reasons.[6] First, single-parent families make up a substantial proportion of the IA caseload. Second, single parents (particularly those with young children) face considerable barriers to full-time employment and are often considered "unemployable" by the welfare system. Thus, they constitute an important target group for any new policy that attempts to increase self-sufficiency. Third, given the

[4] The benchmarks were increased to $37,500 in British Columbia and $30,600 in New Brunswick in February 1994, and to $37,625 and $31,225, respectively, in February 1995, to adjust for inflation.

[5] As explained in Chapter 4, the financial advantage or "generosity" of the supplement relative to income assistance depended on several factors, including family size. Supplement payments, unlike income assistance, did not vary with family size.

[6] However, changes in marital status after sample selection did not affect eligibility for the supplement.

project's budget constraints, it was impossible to include enough cases of all types of households on welfare to permit an accurate analysis of the supplement program's effects on each of them.

- Availability to long-term welfare recipients only. The supplement was offered only to single-parent families who had been on income assistance for 12 months in a 13-month period. Eligibility for the supplement was limited to these relatively long-term welfare recipients for three main reasons. First, long-term welfare recipients account for a disproportionate share of welfare costs, making them a critical group to target. Second, extending eligibility to people who had received income assistance for less than a year would probably have resulted in a large share of program resources being spent on supplement payments to people who, even in the absence of the program, would have left welfare after a short time. Third, the one-year IA receipt requirement reduced the potential that the program would attract people onto the welfare rolls for the purpose of being able to receive the supplement.

- One-year period to take advantage of the offer. Once an IA recipient was selected to join the program group, she was informed that if she found full-time work within the next 12 months and agreed to leave income assistance, she could sign up for the supplement. If she did not sign up within 12 months, she became ineligible for the supplement. This requirement discouraged delay in responding to the supplement offer but gave people time to consider the offer and to find employment. The 12-month period in which program group members could qualify for the supplement is sometimes referred to as the "one-year take-up window."[7]

- Three-year time limit on supplement receipt. A person could have collected the supplement for up to three years from the time she began receiving it, as long as she was working full time and not receiving income assistance. The three-year time limit on supplement receipt eliminated the possibility of long-term dependence on the program.

- Voluntary alternative to welfare. People could not receive IA payments while receiving the supplement. However, no one was required to participate in the supplement program. After beginning supplement receipt, people could decide at any time to return to income assistance, as long as they gave up supplement receipt and met the IA eligibility requirements. They could also renew their supplement receipt by going back to work full time at any point during the three-year period in which they were eligible to receive the supplement (also referred to as the "three-year supplement receipt period" or the "three-year supplement period").

The program allowed some episodes of low work hours without cutting off supplement payments. To reduce the need to return to income assistance whenever problems arose, full-time employment was defined as 30 hours per week (although most full-time job schedules are for 35 to 40 hours), and hours were averaged over a four-week or monthly accounting period. Thus, supplement takers usually were not penalized for brief absences — to take care of a sick child, for example. In addition, if average hours worked fell below 30 hours per

[7]Program group members are said to "take up" the supplement when they successfully qualify for it. All program group members who ever took up the supplement are called "supplement takers."

week for a four-week or monthly period, the supplement was pro-rated. The first and second time this happened during a 12-month period. For the third and subsequent periods in which the 30-hour requirement was not met during a year, no supplement payment was made, ensuring that less-than-full-time employment did not continue to be rewarded. However, the system allowed supplement takers another two reduced-payment periods in each of the two subsequent 12-month periods.

The program provided information and referrals to existing services in areas such as job search and education and training but did not provide these services. Providing services would have made it impossible to determine the extent to which differences between the program and control groups' experiences could be attributed to SSP's financial incentive as opposed to the services. This problem could be solved only by randomly assigning IA recipients to three groups — SSP with services, SSP without services, and a control group — and this was not possible with the budget constraints that existed at the outset of the project. It was decided during the design phase that the demonstration would be most useful if it tested the effectiveness of an earnings supplement per se. Later, additional resources permitted the random assignment of a small number of IA recipients in New Brunswick to three groups; this "SSP Plus" study is described later in the chapter.

The SSP Research Design — Random Assignment

Recruitment into SSP's main research study began in November 1992 and was completed in March 1995. Each month, Statistics Canada used IA administrative records to identify all people in selected geographic areas in British Columbia and New Brunswick who (1) were single parents, (2) were 19 years of age or older, and (3) had received IA payments in the current month and at least 11 of the prior 12 months. No other restrictions (for example, on health status) were imposed.[8] Statistics Canada then randomly selected a "fielding sample" to contact, interview, and invite to be part of the SSP study.

Members of the fielding sample were informed that they had been selected to participate in a study of IA recipients and were visited by Statistics Canada interviewers.[9] During the visit, the interviewer administered a "baseline" survey lasting an average of 30 minutes and then described the SSP study, carefully read an informed consent form to the sample member, and answered any questions. By signing the informed consent form, the sample member agreed to join the study and allow Statistics Canada to collect her records for up to eight years from various government agencies such as the provincial IA ministry, Revenue Canada, and HRDC. She also agreed to be interviewed periodically by Statistics Canada. It was explained that only Statistics Canada would ever see any information that could uniquely identify her, that participation in the study would not affect her eligibility for any services, that she could refuse to answer any survey questions, and that 50 per cent of those who agreed to join the study would be randomly selected to become eligible to receive money in addition to their earnings if they found a full-time job within the next 12 months.

[8] Readers should keep in mind that the IA systems in British Columbia and New Brunswick included disabled people who would not be able to work. American readers should note that some of these recipients would be in the American Supplemental Security Income (SSI) program rather than in the welfare system. Thus, the sample of long-term welfare recipients in SSP may be more disadvantaged than a comparable sample of welfare recipients in the United States.

[9] The vast majority of fielding-sample members were located and contacted in the month they were first selected. If a fielding-sample member was not contacted in the first month, Statistics Canada interviewers tried for up to two more months to complete the interview, as long as the person was still receiving income assistance.

Roughly 90 per cent of the fielding sample completed the baseline survey and signed the informed consent form. Immediately after the baseline interview, each of these 6,028 single parents was randomly assigned to one of the research groups of the SSP study. Each sample member had 50-50 odds of being assigned to the program group or the control group, except for those joining the study between November 1994 and March 1995 in New Brunswick, who were randomly assigned to three groups with equal odds of assignment to each: the program group, the control group, and the "SSP Plus" group. Members of the SSP Plus group were offered job-search assistance and job-counseling services in addition to the opportunity to participate in the earnings supplement program. Of the 6,028 single parents who were randomly assigned, 2,880 were assigned to the program group, 2,849 to the control group, and 293 to the SSP Plus group.

Random assignment of people to the program and control groups was a crucial aspect of the research design, because the program's effects could not be determined by simply examining outcomes (activities and experiences, such as employment) for IA recipients who were offered the supplement. In the absence of a program like SSP, IA recipients continually leave the welfare rolls for many reasons. Some find jobs on their own, others find jobs as a result of welfare-to-work programs operated by the IA system, and still others leave welfare because they get married, because their children grow up, or for other reasons. It would be a mistake to give SSP the credit for outcomes that would have occurred even in the program's absence. The random assignment evaluation design was chosen in order to obtain valid measures of the difference SSP makes. Because people were assigned to the program group or control group at random, members of the two groups had similar backgrounds and characteristics. They differed systematically in only one respect: program group members were given the opportunity to participate in the supplement program, and control group members were not. The difference between program group and control group outcomes can therefore be used to measure the effects, or "impacts," of the program.

Other Studies in SSP

The SSP evaluation also includes two special studies. The SSP applicant study examined the effects of SSP for parents who had just begun receiving welfare in British Columbia. The sample for the applicant study consisted of 3,316 new IA recipients in British Columbia who were randomly assigned to either a program group or a control group. Program group members were informed that if they continued to receive income assistance for one year, they would then be given the opportunity to participate in SSP's earnings supplement program. The first question addressed by this study was whether people would stay on income assistance for a year to become eligible for the supplement. Berlin, Bancroft, Card, Lin, and Robins (1998) found that few changed their behaviour to establish eligibility for the supplement. A second question was whether the SSP supplement would increase employment, earnings, and income for this group of welfare applicants. Michalopoulos, Robins, and Card (1999) and Michalopoulos and Hoy (2001) found that it did, and by a substantial amount. A final report on the applicant study will be published separately.

The second special study, the SSP Plus study, examined the effect of combining the earnings supplement with other services. As mentioned earlier in the chapter, 293 sample members in New Brunswick were randomly assigned to the SSP Plus group. In addition to the opportunity to participate in the earnings supplement program, SSP Plus group members received services such as job clubs, assistance in résumé preparation, and individual job-

search coaching. Outcomes for the SSP Plus group were compared with those for the members of the main study's program group and a control group who were randomly assigned in New Brunswick during the same period. The goal was to determine whether providing additional job-search services enhanced the impacts and cost-effectiveness of the supplement program. According to Quets, Robins, Pan, Michalopoulos, and Card (1999) and Lei and Michalopoulos (2001), the addition of employment-related services to the earnings supplement increased use of the supplement fourfold, but impacts on employment were small. Final results from the SSP Plus study are presented in Chapter 8 of this report.

ECONOMIC AND POLICY CONTEXT

In British Columbia SSP operated in the lower mainland, which includes the Vancouver metropolitan area as well as neighbouring areas to the north, south, and east. In New Brunswick the program operated in a region covering roughly the lower third of the province, including the cities of Saint John, Moncton, and Fredericton. Figure 1.1 provides an indication of the timing of key events in the SSP study and in Canadian and provincial welfare policy. As is shown in the figure, sample members were recruited for the study and randomly assigned between November 1992 and March 1995.[10] The period studied in this report consists of the 54 months after random assignment (including the month of random assignment) for each sample member. For example, for the earliest sample members randomly assigned, the period studied is November 1992 through April 1997; for those who were randomly assigned last, the period studied is roughly March 1995 through August 1999.

Income Assistance

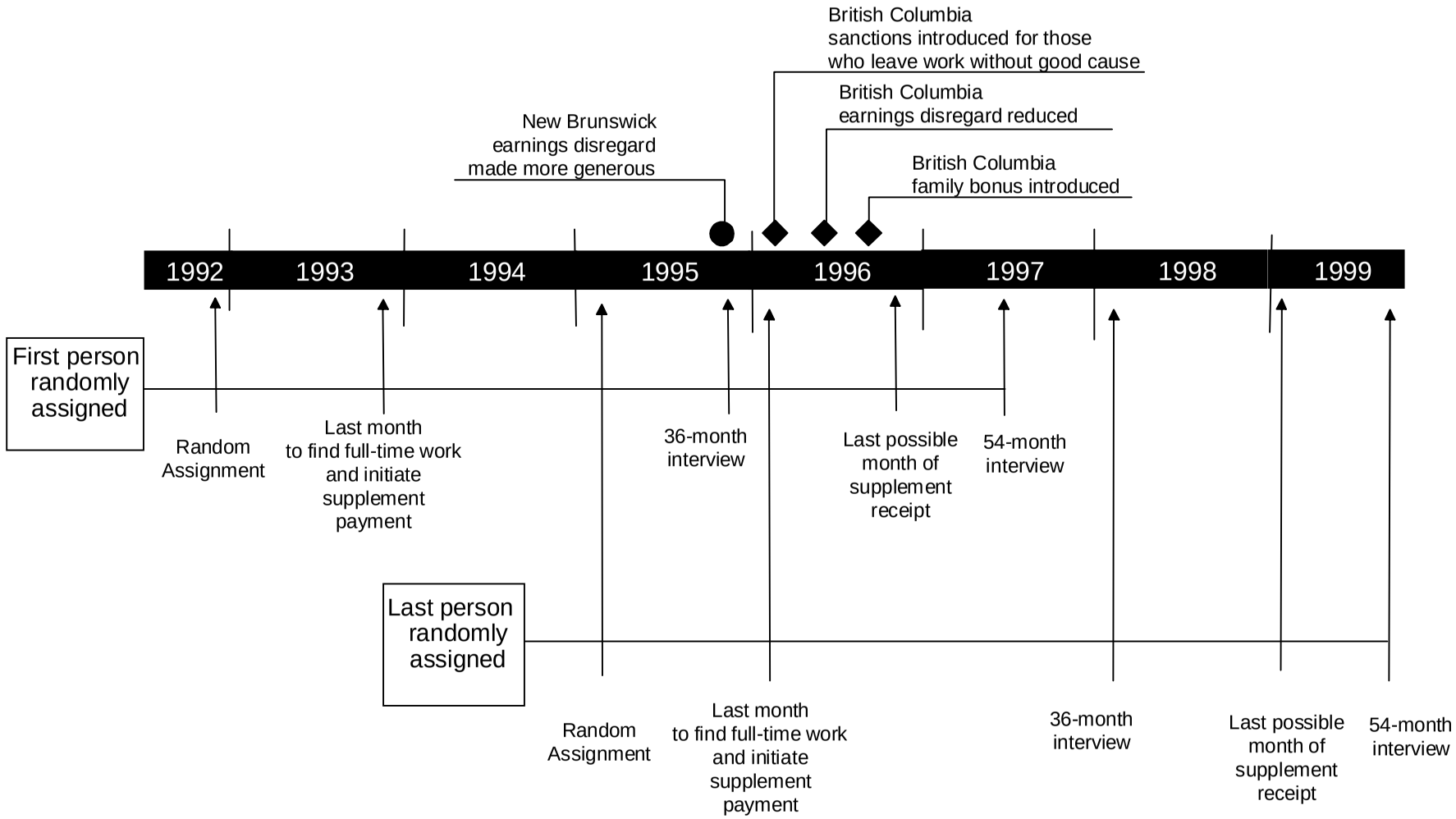
During the years since the project was initiated, major reforms have altered the landscape of social policy in Canada. In 1996 the Canada Assistance Plan (CAP, the federal program that paid a certain percentage of the expenditures incurred by provinces for income assistance and social services)[11] and Established Programs Financing (EPF, a block grant for health and post-secondary education) were abolished and replaced by a block fund called the Canada Health and Social Transfer (CHST). The federal government's contributions under CHST have been substantially lower than they would have been under CAP. Faced with cutbacks in federal support, provinces have made a variety of changes, such as reducing welfare benefit levels, tightening eligibility requirements, and imposing work requirements on welfare recipients.[12]

[10] These are the dates for which random assignment occurred in New Brunswick. In British Columbia random assignment occurred over a shorter time, between January 1993 and March 1995.

[11] CAP paid for half of these expenditures until 1990, when payments were limited to yearly increases of no more than five per cent for the three wealthiest provinces: Ontario, Alberta, and British Columbia. This limitation was referred to as the "cap on CAP."

[12] Battle (1997) estimates that in 1997–98 federal expenditures under CHST were 15.2 per cent lower than they would have been, for the same year, under the previous CAP and EPF programs. Under CHST, the provinces have greater latitude to change welfare eligibility rules. CHST removed two of CAP's conditions for federal support: that income assistance be provided to all people determined to be "in need" and that people applying for or receiving assistance have access to an appeals system.

Figure 1.1: Periods Covered by the Data Used in This Report and Important Policy Changes in British Columbia and New Brunswick



Since SSP began, both provinces have changed the financial work incentives of their IA systems by changing the "earnings disregard," a policy that determines how much a person can earn while receiving income assistance. In New Brunswick the earnings disregard was increased starting in September 1995. In other words, the amount of income that welfare recipients could obtain by combining work and welfare was increased, and SSP's supplement offer became relatively less generous in comparison with income assistance.[13] In British Columbia the opposite change occurred, and the earnings disregard was reduced. As a result, the amount of income that one could obtain by combining work and welfare was reduced, and in British Columbia SSP provided an even greater financial work incentive than the IA system.[14] IA benefit levels were also made less generous in British Columbia in 1997, when the monthly benefit for a single parent with one child was reduced from $982 to $879.

British Columbia made a number of other changes to its IA system in 1995 and 1996. In January 1996 sanctions were introduced that prohibited anyone in British Columbia who quit a job without just cause from receiving income assistance for six months. Thus, program group members who found full-time jobs and ended supplement payments might not have been allowed to return to income assistance if they voluntarily left those jobs (contrary to the original design of SSP). Later in 1996 the process of applying for income assistance was made far more stringent; for example, applicants were required to make advance appointments and to bring various documents to their appointments, and the issuance of on-the-spot checks was eliminated. These changes would be expected to have reinforced the effects of sanctions, potentially decreasing receipt of income assistance by supplement takers who quit (or lost) full-time jobs, and consequently to have increased the program's impacts on IA receipt.[15]

In August 1996 British Columbia introduced a monthly "Family Bonus" of $103 per child (raised to $105 in 1999) for all low-income families with children, and simultaneously reduced IA benefits by the same amount. This benefit increased the support for working poor families and left total benefits for IA recipients unchanged. As a result, Family Bonus payments reduced the relative generosity of income assistance, lowering the incentive for both program and control group members to remain on welfare.[16]

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[13] Prior to September 1995 income assistance in New Brunswick was not reduced if earnings were less than $200 in a month, but benefits were reduced dollar-for-dollar by earnings above $200. After September 1995 a recipient could qualify for an "extended wage exemption" that disregards either $200 or 35 per cent of earnings, whichever is greater, for six months, and disregards either $200 or 30 per cent of earnings, whichever is greater, for an additional six months. The extended wage exemption is not automatic but is implemented at the discretion of a case manager.

[14] Until April 1996 single parents who had received income assistance for more than three months in British Columbia were eligible for both a "flat rate" disregard of $200 per month and, for up to 12 out of every 36 months, an "enhanced" disregard equal to 25 per cent of earnings in excess of the flat disregard. Starting in April 1996 the flat rate disregard was eliminated.

[15] British Columbia and New Brunswick made a number of other changes to their IA systems in 1995, 1996, and 1997, but many of these changes had little effect on most single-parent recipients. These changes are described in Lin, Robins, Harknett, & Lui-Gurr, 1998.

[16] In October 1997 New Brunswick also changed the financial incentives to work by instituting a Child Tax Benefit and a New Brunswick Working Income Supplement. The incentives under these programs were considerably less than the incentives of British Columbia's Family Bonus — up to $250 per child per year from the Child Tax Benefit and $250 per year per family from the Working Income Supplement.

As Figure 1.1 indicates, each of these policy changes occurred long after the first people in SSP were randomly assigned. In fact, the changes in British Columbia happened after the 36-month interview for some people, shortly before their ability to receive the SSP supplement ended. For people randomly assigned near the end of the intake period, on the other hand, these policy changes had a considerable ability to affect the decision to respond to the supplement offer. The change in the New Brunswick earnings disregard in particular was implemented while a fair number of people could still have taken up the supplement offer.

Economic Conditions

Over the time covered in this report, economic conditions also changed in British Columbia and New Brunswick.[17] In both provinces overall labour market conditions improved slightly from 1992 to 1995. Nonetheless, unemployment rates remained at historically high levels, and employment of 35- to 44-year-old women actually declined in British Columbia. From 1995 to 1998 unemployment increased somewhat in New Brunswick and remained stable in British Columbia, even though the national unemployment rate continued to fall. However, the job prospects for women might have improved during this period, because the employment rate of 35- to 44-year-old women increased in both provinces. Since the beginning of the SSP study, New Brunswick has had a higher unemployment rate and a lower average wage than British Columbia.

Since 1992 the minimum wage in both provinces has been increased several times, although it is lower in New Brunswick than in British Columbia. When SSP was begun in 1992, the minimum hourly wage was $5.50 in British Columbia and $5.00 in New Brunswick. In British Columbia the minimum wage increased gradually to $7.15 in 1998. In New Brunswick the minimum wage increased to $5.25 at the beginning of 1996 and to $5.50 later in 1996. It is unclear how these changes in the minimum wage affected the impacts of SSP.

DATA SOURCES AND REPORT SAMPLE

To make clear the impacts of SSP, several kinds of data are used in the current report. A baseline survey was administered to all sample members just prior to random assignment. The survey included questions about respondents' gender, age, race/ethnicity, and other demographic characteristics; household composition and family structure; child care needs; general quality of life; employment and earnings; current income sources and amounts; and attitudes toward work and welfare. Most sample members completed follow-up surveys approximately 18, 36, and 54 months after random assignment. The surveys included questions similar to those that appeared on the baseline survey — that is, questions on employment and earnings; household composition and family structure; child care use; expenditures and hardship; and current income. Finally, administrative data sources provided monthly information on income assistance and SSP supplement payments.

[17] Additional information for the period from 1992 through 1996 is presented in Table 1.1 of Lin et al., 1998.

The program group contained 2,880 recipients, and the control group contained 2,849. Of these original sample members, 4,852 completed the 54-month survey — 2,460 in the program group and 2,392 in the control group (for an 84.7 per cent response rate). In this report, the effects of SSP will be examined using only these sample members, a group called the report sample.

In the SSP Plus study, which is discussed in Chapter 8, 299 individuals were assigned at random to the SSP Plus program group, which was offered both an earnings supplement and employment-related services. During the period when people were being assigned to SSP Plus, 296 were assigned to the regular SSP group (which was offered the earnings supplement but not the employment-related services), and 303 were assigned to the control group. Of these people, 765 responded to the 54-month interview — 256 members of the SSP Plus program group, 258 members of the regular SSP program group, and 251 members of the control group.

Table 1.1 describes the report sample at the time of random assignment. In some ways, this sample of long-term, single-parent IA recipients was fairly homogeneous. Nearly all were women. Only about one in nine had postsecondary education. Despite their history of welfare receipt, more than 9 in 10 had worked at some time in their lives. Although few were currently working at random assignment, a sizable minority were looking for work.

Sample members also faced what appeared to be substantial barriers to full-time employment. In particular, one quarter reported an activity-limiting physical condition, and about 1 in 12 reported an emotional problem that limited their activity.

Every recipient selected for inclusion in SSP had to have received income assistance in the month they were selected, and at least 11 of the prior 12 months. At random assignment, most sample members were in the midst of a considerably longer spell of IA receipt. Almost 80 per cent had been receiving income assistance for more than two of the previous three years, and nearly 45 per cent had been receiving income assistance every month for three years. Although almost all sample members had worked for pay at some point in the past, more than half the report sample was neither working nor looking for work at random assignment, and fewer than one quarter were actually working.

In most ways, sample members in British Columbia were similar to those in New Brunswick. They were about equally likely to be working and to have graduated from high school, and about equal proportions reported physical and emotional problems.

In some key ways, however, the two samples were very different. Nearly half in the New Brunswick sample had been on welfare continuously for the prior three years, while more than one fourth in the British Columbia sample had been on welfare for less than two of the prior three years. Nearly one quarter of the sample in British Columbia had been born outside of Canada, but few in New Brunswick had been born elsewhere.

Table 1.1: Selected Baseline Characteristics by Province for 54-Month Survey Respondents

Baseline Characteristic	Report Sample	British Columbia	New Brunswick
Recent welfare history			
Number of months on income assistance prior to random assignment (%)			
10–23	22.4	26.2	18.2
24–35	34.2	35.9	32.3
All 36	43.4	37.9	49.5
Average IA payment prior to random assignment ($)	862	1,022	683
Work history and labour force status			
Ever worked for pay (%)	95.3	95.9	94.7
Average years worked	7.3	8.1	6.5
Labour force status at random assignment (%)			
Employed 30 hours/week or more	5.9	5.8	6.1
Employed fewer than 30 hours/week	13.3	12.7	13.9
Looking for work, not employed	21.8	22.2	21.3
Neither employed nor looking for work	59.0	59.4	58.6
Personal characteristics (%)			
Female	95.8	95.3	96.3
Age 19–24	21.7	17.3	26.5
Less than high school education	52.7	52.6	52.8
Completed high school, no post-secondary education	36.8	35.5	38.3
Some post-secondary education	10.5	11.9	8.8
First Nations ancestry	9.7	13.1	6.0
Not born in Canada	13.0	22.5	2.4
Reported physical problem[a]	24.8	25.8	23.7
Reported emotional problem[b]	8.2	9.0	7.3
Family structure (%)			
Number of children under age 19			
1	53.5	49.2	58.2
2	32.9	33.8	32.0
3 or more	13.6	17.0	9.9
Never married	48.9	43.7	54.6
Sample size	4,852	2,538	2,314

Sources: Calculations from baseline survey data and income assistance (IA) administrative records.

Notes: Sample sizes vary for individual measures because of missing values.

Rounding may cause slight discrepancies in sums and differences.

[a]Sample members are considered to have an activity-limiting physical condition if they answered yes to any of the following: "Do you have a long-term physical condition or health problem that limits you in the kind or amount of activity you can do (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?" Those who were working generally did not answer the "at work" part of the question, so their classifications are based on answers to other parts. The conditions reported were not necessarily permanent. Of the sample members who reported an activity-limiting physical condition at the baseline interview, one third indicated no such problems at the 18-month follow-up interview.

[b]Sample members are considered to have an activity-limiting emotional condition if they answered yes to any of the following: "Are you limited in the kind or amount of activity you can do because of a long-term emotional, psychological, nervous, or mental health condition or problem (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?"

RESEARCH QUESTIONS

This report will address several key questions:

- Who took up SSP's generous supplement offer by finding full-time work within a year of entering the study? What reasons did people cite for not taking up the supplement? How often did those who took up the supplement offer receive the supplement, and how much did they receive from the supplement? These questions are addressed in Chapter 2.
- Did the offer of a generous earnings supplement increase the employment, earnings, and income of long-term welfare recipients? Did it reduce their reliance on welfare benefits? Did it reduce poverty and hardship and increase expenditures on basic necessities such as food, clothing, and housing? Did the effects of SSP extend beyond the period when parents could receive the earnings supplement? These questions are addressed in Chapter 3.
- When SSP began, critics of the supplement offer feared that long-term welfare recipients would not be able to make the jump to full-time work, especially if they suffered from barriers to work such as physical or mental disabilities. At the same time, SSP's earnings supplement was structured to provide greater financial work incentives to the lowest-wage earners and to families with few children. Chapter 4 examines whether SSP had larger effects for some subgroups of people than for others. At the same time, Chapter 4 asks whether the effects were more persistent for some people than for others when they could no longer receive the earnings supplement.
- Critics of welfare reform policies fear that children will be harmed if their parents go to work, especially if the children are placed into poor-quality or age-inappropriate forms of child care. On the other hand, SSP was designed to increase income, which may have benefited children. Moreover, many proponents of policies to encourage work among single parents believe that mothers will be better role models when they are working. Chapter 5 examines the effects of SSP on children of sample members, along with some of the factors that might have mediated the effects of employment and income, including child care, marriage and family formation, and housing.
- The "cliff" — when SSP supplement recipients ended their three years of eligibility for the supplement — represented a potentially dramatic time for supplement recipients. Many had learned to count on hundreds of extra dollars each month from the earnings supplement. How did the loss of the supplement affect them and their decisions? This issue is explored in Chapter 6, which analyzes three sets of data: a qualitative study of 52 supplement recipients; data from welfare records and the baseline, 18-month, 36-month, and 54-month follow-up surveys; and notes recorded by SSP staff in the Program Management Information System (PMIS). All three sources might shed light on how families reacted to the cliff.

- SSP's remarkable effects have come at a cost: the program was able to persuade people to go to work full time only by offering them a very generous earnings supplement that more than compensated them for their lost welfare benefits. Just what was the cost of SSP's effects? Chapter 7 presents a benefit-cost analysis of the program, showing how much it cost to administer the program, as well as how much more was spent on government cash transfer payments.
- People in the SSP program were offered the earnings supplement but were not offered help in finding or keeping jobs. To investigate the importance of such assistance, a small group of long-term welfare recipients in New Brunswick were assigned at random to a program called SSP Plus. SSP Plus program group members were offered the program's earnings supplement, and SSP staff provided them with services such as job clubs, assistance in resume preparation, and individual job-search coaching. Chapter 8 investigates whether the combination of the earnings supplement plus these voluntary services produced larger effects than did the supplement offer alone.
- The results in SSP hold out the promise that policy-makers in Canadian provinces or other countries might be able to encourage work, increase income, and benefit children through similar policies. What are the key lessons from the SSP study of long-term recipients, and what do they imply for potential policy in different settings? These issues are discussed in Chapter 9, which concludes the report.

Chapter 2:
Supplement Receipt

The central feature of the Self-Sufficiency Project (SSP) was the earnings supplement payment. This chapter describes how the SSP supplement was delivered, who received the supplement, when they received it, how much they received, and what happened after they stopped receiving it. This analysis furthers understanding of the nature of the program's principal treatment: who took it up and how. This chapter does not deal with the effectiveness or impact of the program, which is the topic of subsequent chapters.

Data for the analysis came from several sources. The SSP Program Management Information System (PMIS) and provincial income assistance (IA) records provided information about supplement and IA payments, respectively. Surveys of participants provided information about demographic characteristics, attitudes, and employment history as well as respondent statements about why they might not have taken up the supplement. Notes from SSP case files provided additional information about supplement receipt. Finally, focus groups captured the experiences of the participants in their own words. The following analysis focuses on those program group members who answered the 54-month survey. Thus the sample in this chapter is the same as the sample in the other chapters of this report.

SUMMARY OF FINDINGS

- Slightly more than one third of the program group members who were offered the supplement went on to receive at least one supplement payment. Those who received at least one supplement payment (or "takers") were more prepared for the labour force — with more education, more work experience, and fewer barriers to work — than those who received no supplement payments. The most commonly cited reasons for not receiving a supplement payment were inability to find a job, personal or family responsibilities, and health problems or disabilities.

- Those who received the supplement received a substantial amount of money. Total payments over three years averaged more than $18,000. During months of supplement payment, takers received an average of $820 per month — slightly less than their average monthly combined rent and grocery bill of $878.

- Supplement dollars were not evenly distributed among takers. Total supplement payments averaged less than $5,000 for the 25 per cent of takers who received the least money in supplement payments. In contrast, total supplement payments averaged more than $31,000 for the 25 per cent of takers who received the most money in supplement payments. Most of this disparity was due to differences in the number of months in which the supplement was received. A quarter of takers received the supplement virtually throughout the three-year eligibility period (in 33 months or more). In contrast, another quarter of takers — the least frequent supplement recipients — had payments in 13 or fewer months. Among all takers, the average number of months with supplement payments was 22.

- Few takers went back and forth frequently between monthly receipt and nonreceipt. The most usual case was that supplement payments did not start again once they had stopped for at least two months. On average, the longest period that takers would receive payments without a two-month break was 18 months. However, temporary gaps in supplement receipt were an important factor in explaining the level of supplement receipt in most months.

- About half of all takers received their last supplement at the end of their three-year eligibility period. Those takers suffered much smaller declines in full-time employment after their payments ended than other takers did.

PUTTING THE SUPPLEMENT INTO EFFECT

For the SSP experiment to test the effect of a financial incentive accurately, program group members needed to be certain they would be rewarded if they worked full time. Therefore, implementing an effective delivery system was vital to the test of the SSP earnings supplement. A system was needed that would notify people of their eligibility, verify their employment status, and issue supplement payments quickly. This section describes how the SSP delivery system worked, and the section that follows reports the response of program group members to the offer and the resulting delivery of supplement payments.

Within 10 days of the baseline interview, study members assigned to the program group were notified by mail of their eligibility to receive earnings supplements if they met the work requirements. SSP program providers were then responsible for contacting program group members and orienting them to the program (a process described in Lui-Gurr, Currie Vernon, & Mijanovich, 1994). Program group members had up to 12 months from the date of random assignment to initiate full-time employment and thus qualify for the supplement.

Upon finding suitable employment, participants had to visit an SSP office in person with their employment documents to verify the employment offer. Eligible employment had to be insurable under the Employment Insurance (EI) system, had to be paid at the minimum wage or higher, and had to occupy 30 hours or more each week. Self-employment was allowed under special and stringent rules. Pay stubs were to be mailed to a single SSP payment office responsible for calculating the amount of supplements. Monthly supplement cheques were either mailed to recipients or directly deposited into their bank accounts. The system was designed to minimize the number of bureaucratic hurdles involved in receiving supplement payments.

SSP staff concentrated their program activities on the pre-supplement period. However, services did continue throughout supplement receipt. Two months after supplement initiation, SSP staff contacted supplement takers to discuss their progress and to answer any questions. Support for payment-related issues, such as delayed mailings of pay stubs and supplement cheques, was ongoing. Offices were permitted to provide information and referrals for supplement takers, but this service was rarely used. Money management workshops were targeted on supplement takers but had low take-up (Mijanovich & Long, 1995). Finally,

attempts were made to interview all continuing supplement takers 4 months before their 36 months of supplement entitlement came to an end and 8 months afterwards.[1]

RESPONSE TO THE SUPPLEMENT OFFER

Initial Response

The reactions of program group members to the offer of the SSP earnings supplement were generally very positive, with the majority apparently impressed by the program's financial benefits and its potential role in promoting independence from the welfare system. SSP staff reported that the message most widely embraced by those attending orientation sessions was that the supplement had the likely to double pre-tax income among those moving into full-time work (Mijanovich & Long, 1995).

Nonetheless, many doubted the ability of the SSP program to overcome what they saw as major barriers, including a shortage of employment vacancies and problems of who would care for their children while they worked. Some needed reassurance that such a generous offer was genuine. A participant in a later focus group recalled that, initially, "I just didn't understand that someone was going to give me money [that someone would say] 'Okay, go get work and we'll give you a big hunk of money'" (Bancroft & Currie Vernon, 1995). Doubts over the legitimacy of the offer were overcome by the professionalism of the SSP staff, the tangibility of visits to the SSP office, and program materials that were distributed.

Program group members were given a year to find full-time employment and qualify for the supplement. The intent of the 12-month deadline was to encourage program group members to look for work sooner than they might have. The disadvantage of the deadline was its potential to exclude some program group members from participating in the supplement receipt. Those most likely to be excluded from supplement receipt were those with significant barriers to employment at the time of random assignment.

Also at risk of being excluded were those who delayed their job search until the end of the eligibility period or were not to selective about the jobs they would accept. These factors may have caused some program group members to engage in a last-minute rush to qualify for the supplement. Some evidence of this rush can be inferred by looking at the number of program group members who took up the supplement in a given month as a percentage of those who had not already taken up the supplement in earlier months.[2] This percentage doubled from 2.6 per cent in Month 9 after random assignment to 5.1 per cent in Month 13. In the end, about 36 per cent of the program group found full-time employment in time to become supplement takers.[3]

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[1] These interviews provide one of the data sources used in Chapter 6.

[2] Program group members who took up the supplement in earlier months are excluded from the denominator of the percentage in order to show more clearly the behaviour of the remaining program group members. This type of percentage is known as a hazard rate.

[3] There was some additional initiation of supplement receipt in the 14th, 15th, and 16th months following random assignment, involving small numbers of the program group. These cases were typically due to full-time job offers that were verified by SSP staff just before the 12-month deadline expired but had failed to deliver the required 30 hours per week (and thus the initiation of supplement payments) until the second or third month following recruitment.

The Characteristics of Supplement Takers and Non-takers

Takers had more education and work experience on average than non-takers, as is shown in Table 2.1.[4] For example, 57.7 per cent of takers had a high school diploma or equivalent, versus 41.5 per cent of non-takers. Educated takers were more likely to qualify for the supplement because their education might make them more productive and more likely to be hired for full-time jobs than otherwise comparable persons with less education. Similarly, 13.6 per cent of takers had full-time employment at random assignment compared with 3 per cent of non-takers. In contrast, family responsibilities prevented work prior to random assignment for 26.7 per cent of non-takers but for only 15.7 per cent of takers.

Table 2.1: Baseline Characteristics of SSP Supplement Non-takers, Supplement Takers, Non-intensive Takers, and Intensive Takers

	All Program Group Members		Takers Only	
Baseline Characteristic	All Non-takers	All Takers	Non-intensive	Intensive
Job readiness				
High school diploma or equivalent (%)	41.5	57.7	56.7	60.5
Ever worked for pay (%)	93.3	99.0	98.8	99.6
Work experience (years)	6.6	8.6	8.1	9.9
Working full time at random assignment (%)	2.5	13.6	11.6	19.4
Working part time at random assignment (%)	8.7	17.4	15.3	23.4
Barriers to employment (%)				
Could not work in the four weeks prior to random assignment because of her				
own illness/disability	17.9	7.5	8.4	4.9
lack of good child care	17.5	9.6	9.7	9.4
family responsibilities	26.7	15.7	17.2	11.2
school attendance	7.8	10.2	11.3	6.7
Physical condition that limited activity	27.8	19.3	19.4	19.3
Emotional condition that limited activity	9.7	5.5	6.0	4.1
Family structure and background (%)				
Less than 30 years old	41.2	46.2	48.4	39.9
Between 30 and 39 years old	40.0	39.2	37.7	43.5
40 years old or more	18.8	14.6	13.9	16.6
One child in the household	46.5	51.9	50.4	56.5
Two children in the household	35.9	34.6	35.5	31.8
Three or more children in the household	16.2	12.1	12.6	10.8
Youngest child aged less than 6	54.5	54.9	56.5	50.2
Youngest child aged 6 to 11	26.2	26.8	26.8	26.9
Youngest child aged 12 or older	19.3	18.3	16.7	22.9
Female	95.5	96.2	96.3	96.0
Lived in British Columbia	53.9	50.2	53.4	40.8
First Nations ancestry	10.4	8.4	10.1	3.6
Immigrated in last five years	3.1	1.6	1.4	2.2
Spoke neither French nor English	3.8	0.7	0.5	1.3
Lived in an urban area	83.9	80.6	79.0	85.2
Sample size	1,584	876	653	223

Sources: Calculations from baseline survey data and SSP's Program Management Information System.

Note: An intensive taker is a program group member who has received a supplement payment in 33 or more months.

[4]The table in Appendix B shows that the most job-ready program group members were more likely to take up the supplement. It does so by using a statistical technique known as a logit probability model.

Reasons for Not Taking Up the Supplement

Just under two thirds of the program group (64 per cent) did not take up the supplement. In the 18-month follow-up survey, 32.9 per cent of these non-takers said they did not receive a supplement primarily because they could not find a job (see Table 2.2). An additional 7.9 per cent said they could not find enough hours of work to take up the supplement. These results are consistent with the previous section's finding that non-takers were less prepared for work than takers at the time of random assignment. They are also consistent with the hypothesis that take-up might have been higher if program group members had been given more training in how to find a job or more time to find one.[5] Substantial proportions of non-takers also cited personal and family responsibilities as the major factor in not taking up the supplement. Table 2.2 also shows that few non-takers said they did not take up the supplement because the supplement "was not worth it" or because income assistance left them "better off" or "more secure." These low percentages provide some evidence that supplement take-up was not hindered by lack of supplement generosity. Finally, there is little evidence that the supplement was not taken up because people were holding out for high-paying jobs. This finding might suggest that the rush to accept work in the final months of the eligibility period was primarily due to difficulty in finding a job or delayed job search rather than an extensive search for a high-paying job.

Focus groups of takers and non-takers found complex combinations of barriers such as poor health, bad timing, concerns over effects on children, feeling underqualified, and being unable to pay for a babysitter while job seeking (Bancroft & Currie Vernon, 1995). In these groups, child care concerns appeared to be a mixture of reluctance to leave children without the full-time care that parents themselves could provide and doubts over the suitability or affordability of alternative caregivers. As one focus group participant stated, "I want someone to be able to care and nurture my child while I'm not there" (Mijanovich & Long, 1995).

Other reactions in the focus groups were more mixed. Participants expressed both anxiety and excitement about shifting from a means-tested welfare system designed to meet family needs to a system that paid only according to earnings from employment. Tied up in such concerns were fears over losing the entitlement to medical and dental benefits that accompanied IA receipt. In addition, some participants were skeptical about their ability to return to income assistance if they accepted the supplement. "Once you get a job, if you quit you can't get back on welfare," said one focus group participant (Bancroft & Currie Vernon, 1995).

Many who were offered the supplement appeared hindered even in making the decision to start a job search. Some rationalized their reluctance in terms of the practical hurdles they perceived: the hopelessness of finding a job, low expectations regarding child care. For others, the risk in searching for work was more emotional. Participants commonly exhibited low self-esteem and feared disappointment if they embarked on a venture at which they personally expected to fail (Bancroft & Currie Vernon, 1995). In fact, although a majority of non-takers initially expressed interest in the supplement, in-case note reviews suggested that only about one third of non-takers actually ever looked for work during the 12 months permitted for initiating the supplement.

[5] SSP Plus studied the impacts of giving recipients help in finding jobs and keeping them. The results of this study are reported in Chapter 8.

Table 2.2: Reasons Given by Non-takers for Not Taking Up the Supplement Offer

Reason	British Columbia	New Brunswick	All
Main reason for not taking up supplement offer [a] (%)			
Unable to find a job	27.4	39.0	32.9
Didn't think I could get a job	2.6	2.4	2.5
Unable to get enough hours of work	8.5	7.2	7.9
Personal/family responsibilities	17.0	13.6	15.4
Health problems/disability	12.7	13.3	13.0
Wanted to complete education/training program	5.5	5.9	5.7
Didn't have enough experience/skills/education	1.5	2.7	2.1
Couldn't find adequate child care	4.4	4.3	4.3
Didn't want to use child care	2.7	1.0	1.9
Did not understand the offer	2.8	0.9	1.9
Not worth it	1.3	0.4	0.9
Better off/more secure with income assistance	0.8	0.4	0.6
Unable to get a job that paid high enough	0.4	0.3	0.3
Other	12.5	8.5	10.6
Sample size (total = 2,950)	778	697	1,475
Other reasons for not taking up the supplement offer [a] (%)			
Unable to find a job	8.3	4.5	6.5
Didn't think I could get a job	5.1	3.0	4.1
Unable to get enough hours of work	4.6	2.5	3.6
Personal/family responsibilities	10.4	8.7	9.6
Health problems/disability	6.2	4.3	5.3
Wanted to complete education/training program	2.4	2.0	2.2
Didn't have enough experience/skills/education	8.5	8.5	8.5
Couldn't find adequate child care	7.9	5.1	6.5
Didn't want to use child care	2.4	0.6	1.5
Did not understand the offer	2.5	1.4	2.0
Not worth it	1.1	0.7	0.9
Better off/more secure with income assistance	1.3	0.7	1.0
Unable to get a job that paid high enough	3.0	1.2	2.1
Other	22.8	30.9	26.7
Sample size [b] (total = 2,912)	763	693	1,456

Source: Calculations from 18-month follow-up survey data.

Notes: Non-takers are those program group members who did not receive a supplement payment.

[a] Respondents were asked, "What was the main reason you did not take advantage of the earnings supplement?" and were then asked, "Are there any other reasons you did not take advantage of the earnings supplement offer?" In the bottom half of the table, the percentages do not add up to 100 per cent because (1) a respondent could give more than one "other reason" or could give none, and (2) the analysis excluded any responses to the second question that were coded into the same category as the main reason (unless the category was "other").

[b] The sample is smaller than the number of non-takers because of missing data.

Counting all supplement takers and those non-takers who searched for work during the eligibility year, at least half the program group must have been looking for full-time work within the 12-month eligibility period or were already working at the time of the baseline survey. At least a third of these program group members who looked for work did not secure a full-time job within the 12-month eligibility period.

These unsuccessful attempts to find work offer some evidence that the one-year restriction on supplement initiation did reduce the use, and possibly the impact, of the supplement. This view is supported by the increase in the rate of take-up in the final months

of the eligibility period. Ultimately, some of the non-takers, such as unsuccessful job searchers, might have become takers if the eligibility period had been somewhat longer.

Patterns of Supplement Payments

It is useful in understanding the experience of supplement takers to know when they received their supplement payments. Figure 2.1 shows the percentage of program group members receiving a supplement payment in each month.[6] Supplement receipt increased rapidly during the first months after random assignment as program group members received their first supplement payments. In Month 15, the percentage of program group members receiving the supplement reached its highest point, 25 per cent. That is 11 percentage points lower than the 36 per cent of program group members who ever received a supplement payment. Therefore, even in the highest receipt month, more than 30 per cent of all takers did not receive the supplement (11 percentage points divided by 36 percentage points). After Month 15, the supplement receipt fell as the influx of new takers ceased and full-time employment fell among takers. After Month 36, monthly supplement receipt fell more rapidly as takers reached the end of their three-year eligibility period.[7]

Figure 2.1: Program Group Members Receiving the SSP Supplement, by Months From Random Assignment

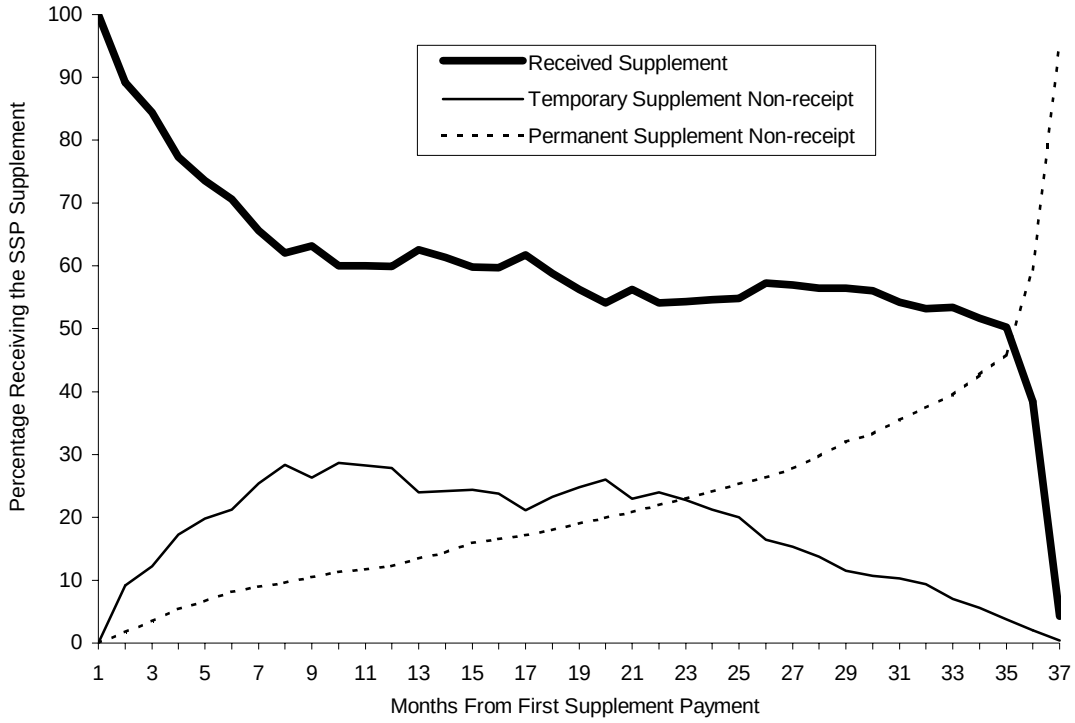
Source: SSP's Program Information Management System.

[6]Figure 2.1 records the month after random assignment that the supplement cheque was issued rather than the earlier month when the program group member earned the supplement. The difference between the two dates was caused by the time needed to submit, verify, and process applications for the supplement. The delay averaged about seven weeks.

[7]Figure 2.1 shows that supplement payments had ceased by the time of the 54-month survey. The survey followed up on respondents at a time when 92 per cent of supplement takers had not received a supplement payment for at least six months.

The reasons for these patterns of supplement receipt can be seen more clearly in Figure 2.2, which shows supplement receipt for takers from their first month of supplement receipt. Supplement receipt among takers dropped rapidly to 62 per cent in the first eight months after the first supplement payment was received.[8] Most of the decline during this period was caused by the rapid rise in the percentage of temporary non-receivers — takers who did not receive a payment in that month but would receive at least one more payment in some future month. Supplement receipt declined slowly over the next 22 months as declining temporary non-receipt mostly offset increasing permanent non-receipt — takers who would never receive another supplement payment.

Figure 2.2: SSP Supplement Receipt by Takers, by Months From First Supplement Payment



Source: SSP's Program Information Management System.

Amount of Supplement Payments

Before their eligibility period was over, supplement takers received a substantial amount of money. As is shown in Table 2.3, supplement takers received an average of $18,256 in supplement payments. During months of supplement receipt, the supplement takers received an average of $820 per month — slightly less than their average rent and grocery bill for a month, $878.

Some takers received more than others. As Table 2.4 shows, total supplement payments averaged over $31,000 for the 25 per cent of takers who received the most money from the supplement; in contrast, total supplement payments averaged less than $5,000 for the 25 per cent of takers who received the least money in supplement payments. As a result of this variation, 43 per cent of all supplement dollars went to the 25 per cent of supplement takers

[8]Receipt declined only six percentage points over the next 22 months.

who received the most in supplement payments, while only 7 per cent of supplement dollars went to takers who received the least money in supplement payments.

Table 2.3: Supplement Receipt Among Takers in Year 1 Through Year 3

Measure	25 Per Cent Received Less Than or Equal to	Average	50 Per Cent Received Less Than or Equal to	75 Per Cent Received Less Than or Equal to
Total supplement payments ($)	9,444	18,256	18,471	26,789
Supplement payments per month of receipt ($)	716	820	845	942
Months of supplement receipt	13	22	24	33
Sample size (total = 876)	219	876	438	657

Source: SSP's Program Management Information System.

Table 2.4: Amount of Supplement Payments, Among Supplement Takers Ranked by Quartile

	Number of Takers	Average Supplement Payment ($)	Percentage of All Supplement Payments	Cumulative Percentage of All Payments
Takers whose payments were among the				
Highest 25 per cent	219	31,474	43.1	43.1
Second-highest 25 per cent	219	22,698	31.1	74.2
Third-highest 25 per cent	219	13,913	19.1	93.2
Lowest 25 per cent	219	4,940	6.8	100.0
All takers	876	18,256	100.0	100.0

Source: SSP's Program Management Information System.

Little of this disparity can be explained by differences in the monthly supplement payments for different recipients. Table 2.3 shows that most takers received similar monthly payments: 50 per cent of recipients received monthly supplement payments of between $716 and $942. One explanation for the similarity of monthly payments is the concentration of SSP recipients in jobs that paid close to the minimum wage.

Duration of Supplement Payments

The major factor explaining the difference in total amount received in supplement payments is the variation in the number of months during which the supplement was received. Table 2.3 shows that 25 per cent of takers received 13 or fewer months of supplement payment while another 25 per cent of takers received more than 33 months of payment[9]. The latter group, intensive takers, had more labour market experience and fewer barriers to employment than non-intensive takers and non-takers (see Table 2.1).

[9]The average number of months was 22.

Often, these monthly payments were either consecutive or with only a few breaks of more than a single month, as is shown in Table 2.5. Few takers went back and forth from receipt to non-receipt of the supplement. Those most likely to have the lowest number of spells were the most intensive takers and the least intensive takers.[10] Other takers had a somewhat larger number of spells and, consequently, periods between supplement receipt. As was seen in Figure 2.2, these temporary periods of non-receipt were an important factor in determining the percentage of takers receiving the supplement. Therefore, policies that extend the spells of supplement receipt or help recipients start new spells might improve the effectiveness of any SSP-type program.

Table 2.5: Intensity of Supplement Receipt Among Takers, by Months of Receipt

	Supplement Takers		Average Total Supplement Payments ($)	Average Payment per Month of Receipt ($)	Average Number of Spells [a]	Average Length of Longest Spell [a] (Months)
	(n)	(%)				
Months of supplement receipt						
1 to 6 months	111	12.7	2,792	777	1.4	3
7 to 12 months	99	11.3	8,031	845	2.0	7
13 to 18 months	118	13.5	12,413	803	2.4	11
19 to 24 months	129	14.7	17,496	812	2.7	14
25 to 30 months	134	15.3	22,833	831	2.1	20
31 to 35 months	220	25.1	27,847	832	1.3	31
All 36 months	65	7.4	30,460	845	1.0	36
All supplement takers	876	100.0	18,256	820	1.8	18

Source: SSP's Program Management Information System.

Note: [a]A series of monthly supplement payments is counted as a spell if it has no two-month period without a payment.

WHEN SUPPLEMENT PAYMENTS END

Table 2.6 shows what happened to supplement takers during the six months after their supplement payments ended. It compares that experience with their experiences before their supplement ended and immediately before random assignment.[11] Table 2.6 splits takers into two equal-sized groups of just over 400 takers each:

1. Eligibility losers, whose payments stopped about the time their supplement eligibility period ran out — 35 months or more after their first supplement payment (top panel)
2. Job losers, whose payments stopped before their three-year eligibility window ran out — less than 35 months after their first supplement payment (bottom panel)

There are two reasons to expect that eligibility losers would do better after their supplement payments ended than would other takers. First, eligibility losers received their supplement payments because of their labor market success. They were employed three years after their supplement payments began and were no longer eligible for further

[10]A series of monthly supplement payments is counted as a consecutive spell of payments if there is no two-month period without a payment.

[11]These experiences, while important, cannot answer the most important question: Are those who were offered the SSP supplements better off than they would have been if they had not been offered SSP? To answer that question requires a comparison between the program group and the control group, which begins in Chapter 3.

payments. In contrast, job losers usually lost their supplement because they no longer had full-time employment. Therefore, they could be expected to do more poorly after the end of their supplement payments than the eligibility losers.[12] Second, as is shown in Table 2.6, eligibility losers were more job-ready in the month prior to random assignment than were job losers. Job-ready takers usually do better in labour markets than non-job-ready takers under any circumstances, including the loss of supplement payments.

Table 2.6: Labour Market Outcomes of Takers Before and After the Month of Last Supplement Payment

Subgroup and Labour Market Outcome	Month Prior to Random Assignment	Six Months Before Last Payment	One Month Before Last Payment	One Month After Last Payment	Six Months After Last Payment
Eligibility losers [a] (406 takers)					
Full-time employment (%)	16.7	83.0	84.0	76.8	67.2
Part-time employment (%)	23.4	6.9	10.8	12.8	14.9
Employment (%)	40.1	89.9	94.8	89.7	82.1
Average earnings ($/month)	255	1,171	1,289	1,260	1,177
Income assistance (%)	98.5	7.6	4.2	7.1	12.1
Average income assistance ($/month)	745	61	27	44	66
Job losers [b] (402 takers)					
Full-time employment (%)	11.9	58.5	58.0	21.9	20.1
Part-time employment (%)	17.2	14.3	15.4	13.7	15.4
Employment (%)	29.1	72.9	73.4	35.6	35.6
Average earnings ($/month)	185	770	659	360	380
Income assistance (%)	99.8	36.9	20.1	42.3	52.0
Average income assistance ($/month)	846	303	157	314	393

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

Note: This chart includes only those sample members who received their final supplement payment by Month 48 after random assignment, in order to have employment and earnings data for six months after the final supplement payment. Neither taxes nor work-related expenses have been deducted from earnings.

[a] Takers who received their last supplement payment 35 months or more after their first supplement payment — about the time that their three-year eligibility period for the supplement ran out.

[b] Takers who received their last supplement payment less than 35 months after their first supplement payment — before their three-year eligibility period for the supplement ran out.

Both groups of takers showed remarkable improvement between the month before random assignment and six months before the last supplement payment, as shown in the second column of numbers in Table 2.6. Income assistance had fallen dramatically, while full-time employment had risen sharply for both groups. However, at that point, eligibility losers were more likely to be working than job losers. The outcomes of these groups remained relatively stable until just before the supplement payments ended, as shown in the third column of numbers.

[12] The end of the eligibility window may have caused supplement payments to end for a small number of takers in the bottom panel and may not have caused payments to end for a small number in the top panel. This is because the supplement data recorded the month that the supplement cheque was issued, not the month that it was earned. Therefore, the data cannot precisely identify when the three-year eligibility period ended, because this period was based on when the supplement was earned.

That stability ended abruptly for job losers when they lost their supplement payments. (See the bottom panel, fourth column, of the table.) Job losers saw their full-time employment fall by 36.1 percentage points to 21.9 per cent in the month after their last supplement payment.[13] In contrast, eligibility losers saw their full-time employment decline by only 7.2 percentage points to 76.8 per cent during the same period.

Eligibility losers did experience a slower but substantial deterioration in their labour-market performance in the following months. Six months after the end of their supplement payments, their full-time employment declined by 16.8 percentage points from its level one month prior to their last supplement payment. However, this decline still left their full-time employment 47.1 percentage points higher than job losers.

Both groups did much better while receiving the supplement than they did in the month prior to random assignment. Eligibility losers continued to do much better after their supplement payments ended. Their full-time employment rose more than 50 percentage points between the month prior to random assignment and six months after their supplement payments ended. Job losers had a more modest improvement during the same period. The percentage of job losers on income assistance was almost cut in half, but their full-time employment rose by only 8.2 percentage points.

Yet it is unfair to conclude from these experiences that SSP was a success or a failure, overall or for any one group. The eligibility losers were the most job-ready and therefore could be expected to do better than other takers under most circumstances. In addition, Table 2.6 captures their experiences further from the month of random assignment than the other takers' experiences. Therefore, they had more time to improve their labour-market performance.

To determine the success or failure of SSP, the experiences of those who were offered the supplement need to be contrasted with the experiences of a comparable group who were not offered the supplement. These comparisons — the experimental impacts — are detailed beginning in the next chapter.

[13] Full-time employment among "job losers" did not fall to zero for three reasons: (1) supplement receipt is measured by the date that the cheque was issued, not the date when it was earned; (2) some persons did not claim the supplement even though they were eligible; and (3) survey respondents may have inaccurately recalled their hours of work.

Chapter 3:
Effects on Employment, Benefits, and Income

SSP was designed as an alternative to welfare. By providing a generous earnings supplement to single parents who worked full time, the program hoped to achieve its key goals of encouraging work, reducing poverty, and reducing welfare use among long-term recipients. The previous chapter shows that about a third of the parents in the SSP group took up the program's offer by taking a full-time job and leaving income assistance. For these families, the supplement provided a substantial boost to their monthly incomes.

But measuring the program's effects on employment, earnings, and income requires knowing what would have happened to program group members, including those who did not take up the supplement, in the absence of the program. Under a random-assignment design, the outcomes for the control group provide accurate estimates of this information. This chapter presents experimental estimates of the effects of SSP by comparing employment, benefit receipt, and income for the program and control groups for up to five years after random assignment. The analysis presented differs from that in Chapter 2, which is a descriptive analysis that focuses only on people offered the supplement.

SUMMARY OF FINDINGS

- SSP increased full-time employment and earnings through the fourth year. A key feature of the SSP supplement was that it was limited to three years, designed specifically to provide a temporary boost to families' incomes as they moved toward self-sufficiency. For this reason, the program's biggest effects were likely to occur while families were still eligible for and receiving the supplement, or through about the fourth follow-up year. These effects can be considered the direct effects of the program. It is also possible, however, for the program to have increased employment beyond that point if, for example, it led to greater employment stability or earnings growth among those who took up the supplement. Although the program did not lead to many of these indirect effects, it was successful in that it moved a substantial number of parents into work during the first four years. More and more parents in the program group went to work during this first year, with the result that SSP had doubled full-time employment by the beginning of Year 2. This effect on employment remained strong through Year 3 and was somewhat smaller during Year 4. Most of the program's effects on earnings occurred because it encouraged people who would not have worked to find jobs, rather than encouraging people who would have worked part time to take full-time jobs. Finally, because the program increased employment, it also increased earnings. On average, program group members earned about $3,200 more than control group members over the four-year period.

- SSP reduced the use of income assistance through the fifth year. People who took up the SSP offer were required to leave income assistance (IA), although they could return at any point if they stopped receiving the supplement. As a result, the program reduced IA receipt. The largest effects were during Year 2, when program group

members received on average $1,200 less in IA payments than control group members. Although the impacts faded over time, SSP continued to reduce IA receipt through the fifth year, after eligibility for the supplement had ended.

- SSP increased the receipt of cash transfers, meaning income assistance or SSP, through the end of Year 4.The increase in supplement receipt was not matched dollar-for-dollar by a reduction in IA receipt, since some supplement takers left income assistance to receive the supplement and others would have left anyway. As a result, the program increased the use of cash transfers through the fourth year. In Year 4, for example, program group members received on average $488 more in IA or SSP payments than control group members.

- SSP increased income and reduced poverty throughout most of the follow-up period. One of the two key goals of the program was to reduce poverty by making work pay. Because SSP encouraged more people to take full-time jobs and provided generous supplements to them when they did, the program group members had higher average incomes than the control group and fewer of them were below Statistics Canada's low income cut-offs. SSP reduced poverty by 12.4 percentage points during Year 2 and by 9.4 percentage points during Year 3. During this period, the program also reduced the number of families in severe poverty, those with incomes below half of the low income cut-offs. As with the employment effects, the effects on income and poverty occurred during the period in which families were eligible for the supplement. By the end of Year 4, income and poverty were similar for the program and control groups.

- SSP's impacts on employment diminished because some supplement takers lost their jobs over time and because employment rates increased for the control group. At the beginning of Year 2, twice as many parents in the SSP group as in the control group were working full time. The impacts gradually faded over time, with the result that employment rates were similar for the two groups by the middle of Year 5. A program's effects on employment can fade over time either because employment for the control group gradually increases or because some people in the program group who went to work eventually lose their jobs. An analysis of employment patterns for both groups suggests that the impacts diminished because of both of these factors, which are common among welfare recipients; some recipients eventually leave welfare for work on their own, as evidenced by the increasing employment rate of the control group, and a number of those who go to work lose or leave their jobs.

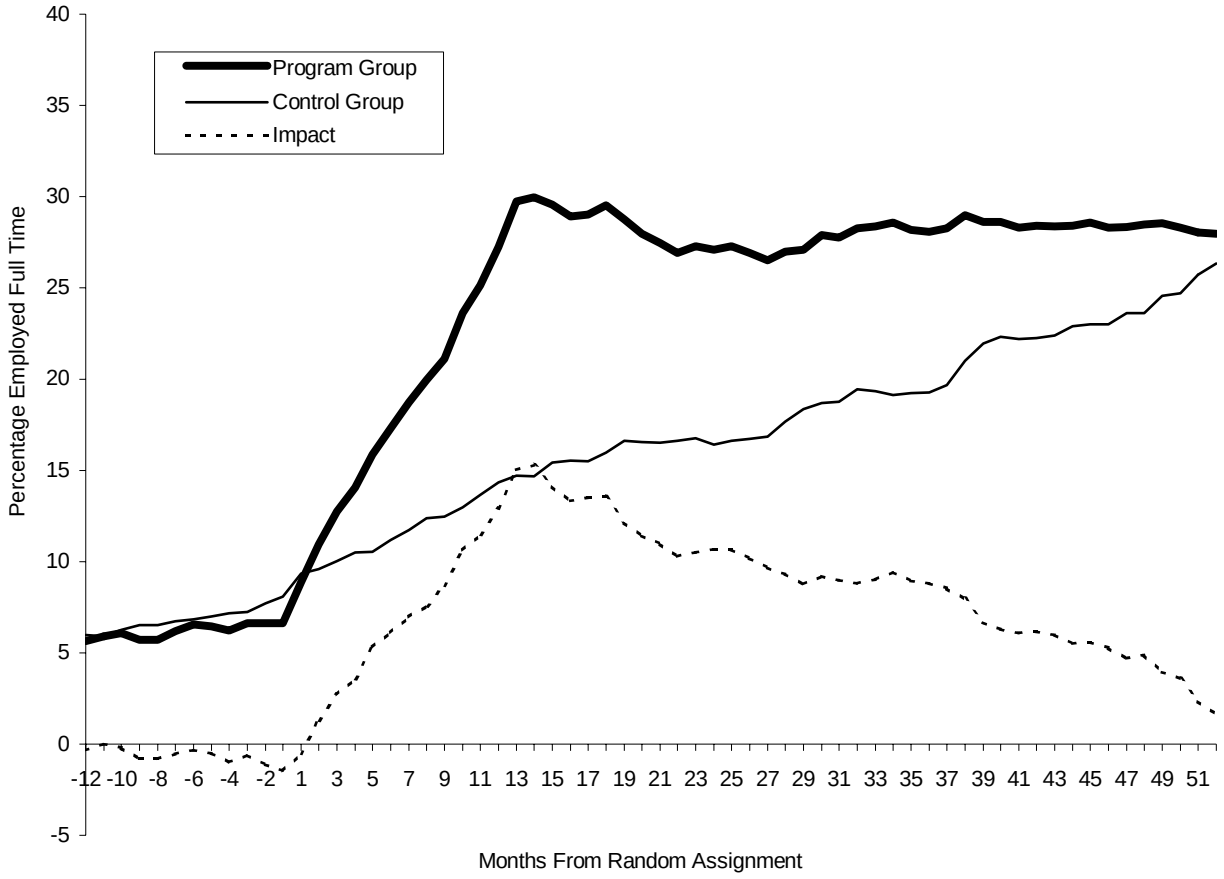
IMPACTS ON EMPLOYMENT AND EARNINGS

SSP was a new approach to encouraging work among welfare recipients. It offered families more generous benefits than they could receive under welfare but conditioned these benefits on full-time work. A key question for the evaluation is whether this approach, which was designed to reduce poverty as well, was effective at increasing work. This section presents the program's impacts on employment and earnings through the middle of Year 5, a point at which no program group members were eligible for the supplement.

Employment and Earnings

The program's effects on full-time employment can be seen in Figure 3.1. The figure shows the percentage in each group who worked full time in each of the 12 months before and 52 months after random assignment.[1] In the year prior to random assignment, only about six to seven per cent of either group worked in a given month. That there are no differences between the two groups at this point is the result of randomly assigning parents to one of the two groups. Random assignment ensures that the two groups are similar in terms of background characteristics and employment prior to program entry.

Figure 3.1: Full-Time Employment Rates, by Months From Random Assignment



Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.
Note: "Employed full time" is defined as working 30 hours or more in at least one week during the month.

A difference between the two groups emerged immediately after random assignment, when employment increased much more rapidly for the program group than for the control group through the end of Year 1. The impact of the program, or the difference between the two groups, peaked at the end of Year 1, when the ability to take up the supplement ended. By Month 13, for example, 30 per cent of the program group worked full time, compared with 15 per cent of the control group.

[1] The figure presents data through Month 52 since a few parents were interviewed prior to Month 54 and information for months 53 and 54 for these parents is missing.

After the first year, full-time employment stayed fairly constant for the program group and gradually increased for the control group. As a result, the impacts diminished through the end of the follow-up period, although they remained fairly large through the beginning of the fourth year. By Month 50, the impact on employment was 3.6 percentage points.

The impacts were expected to peak at the beginning of the second year, since the supplement offer ended at that point. People in the program group who did not take up the supplement during Year 1 had no added incentive to go to work after that point, since they were no longer eligible to receive it. In other words, they faced the same work incentives as the control group. Although it is possible that the program could have affected those who did not take up the supplement — for example, if it encouraged them to look for work during Year 1, and their job-search efforts subsequently increased their chances of finding jobs after that point — the impacts that remained after Year 1 were driven largely by the one third of the program group that took up the supplement and were eligible to receive it for the next three years. The impacts might also have diminished over time if more and more people in the control group went to work or if some people in the program group who went to work lost their jobs. A later section examines which of these two factors was behind the diminishing impacts.

Table 3.1 summarizes the program's effects on employment and earnings. (Impacts on quarterly employment and earnings and for each province separately are shown in Appendix C.) The first panel shows full-time employment rates, and the first and second columns show the outcomes for the program and control groups. In Year 1, for example, 18 per cent of the program group worked full time in an average month, compared with 11.6 per cent of the control group, for an impact of 6.4 percentage points. The final column presents the standard error of the impact estimate, or the measure of uncertainty associated with it. The standard error is used to calculate the statistical significance of the impact, or the level of confidence that it represents a true program effect and is not the result of chance variation between the two groups. An impact is significant at the 10 per cent level, for example, if there is less than a 10 per cent chance that it could have arisen by chance, or from a program with no true effect.

Following the pattern shown in Figure 3.1, the impacts on full-time work were largest during Year 2, at 12.6 percentage points, and diminished thereafter. By Year 4, average monthly employment rates for the program group were 6.1 percentage points higher than for the control group.[2] By the last quarter of follow-up, or the second quarter of Year 5, the impact was small and not statistically significant. The pattern of results also illustrates the importance of looking at impacts over the entire follow-up period, rather than just at the end. Although the impacts in Year 5 were small, the program substantially increased work experience over the entire follow-up period.

The impacts for the full sample mask some differences by province. In particular, the impacts on employment persisted to a greater degree in New Brunswick than in British Columbia. By the last quarter of Year 5, for example, the impact in British Columbia had become small and insignificant, while the impact in New Brunswick was a statistically significant 5.4 percentage points (see Appendix C). SSP's incentives relative to income

[2]The impacts shown here for Year 1 through Year 3 do not exactly match those shown in Michalopoulos, Card, Gennetian, Harknett, & Robins, 2000, because the sample of parents who responded to the 54-month survey is slightly different from those who responded to the 36-month survey.

assistance were somewhat larger in New Brunswick than in British Columbia, a difference that may explain the larger impacts (see Chapter 4 for more detail).

Table 3.1: SSP Impacts on Employment and Earnings

Outcome	Program Group	Control Group	Difference (Impact)		Standard Error
Monthly full-time employment rate [a] (%)					
Year 1	18.0	11.6	6.4	***	(0.8)
Year 2	28.5	16.0	12.6	***	(1.0)
Year 3	27.7	18.4	9.3	***	(1.1)
Year 4	28.5	22.3	6.1	***	(1.1)
Year 5, Quarter 1	28.3	25.0	3.3	***	(1.2)
Year 5, Quarter 2	28.0	26.5	1.5		(1.2)
Monthly part-time employment rate (%)					
Year 1	11.7	13.8	-2.1	**	(0.8)
Year 2	12.0	14.2	-2.1	***	(0.8)
Year 3	12.2	14.3	-2.1	**	(0.8)
Year 4	12.7	14.5	-1.7	**	(0.8)
Year 5, Quarter 1	13.8	14.8	-1.0		(1.0)
Year 5, Quarter 2	13.9	15.4	-1.5		(1.0)
Monthly employment rate (%)					
Year 1	29.7	25.4	4.3	***	(1.1)
Year 2	40.6	30.1	10.4	***	(1.2)
Year 3	39.9	32.6	7.3	***	(1.2)
Year 4	41.2	36.8	4.4	***	(1.3)
Year 5, Quarter 1	42.1	39.8	2.3	*	(1.4)
Year 5, Quarter 2	41.8	41.9	0.0		(1.4)
Average earnings ($)					
Year 1	2,799	2,231	568	***	(153)
Year 2	4,440	3,222	1,218	***	(212)
Year 3	4,640	3,805	835	***	(250)
Year 4	5,710	5,090	620	**	(266)
Year 5, Quarter 1 [b]	5,982	5,547	435		(284)
Year 5, Quarter 2 [b]	5,946	5,851	95		(288)
Sample size (total = 4,852)	2,460	2,392			

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: The estimates for each year, with the exception of earnings estimates, are calculated by averaging the four quarterly estimates.

Sample sizes vary for individual measures because of missing values.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a] "Full-time employment" is defined as working 30 or more hours in at least one week during the month.

[b] Average earnings for each quarter in Year 5 are annualized by multiplying the quarterly averages of monthly earnings by 12.

The second panel of Table 3.1 shows part-time employment rates, and the third panel shows overall employment rates, or the percentage working either part time or full time. Comparing these two panels with the first is instructive, because the program could have increased full-time work in two ways, by encouraging those who would have worked part time to increase their hours or by encouraging those who would not have worked at all to take full-time jobs. If the program operated primarily through the first effect, then it should have reduced part-time work by as much as it increased full-time work. The pattern of

impacts shown in the second and third panels suggests that this was not the case. Although there was a small reduction in part-time employment, indicating that the program did encourage some part-time workers to move to full-time jobs, most of SSP's effects on full-time employment were driven by an increase in job-taking among people who would not have worked at all otherwise. In Year 2, for example, SSP increased full-time employment by 12.6 percentage points. The other impacts suggest that 2.1 percentage points of this increase came from people moving from part-time to full-time work in response to the program, and the remaining 10.4 percentage points came from people who took full-time jobs because of the program but would not have worked otherwise.

The final panel of Table 3.1 shows average earnings during each follow-up year. The impacts on earnings follow a similar pattern to those for employment, peaking in Year 2 and falling thereafter. On average, program group members earned $4,440 during Year 2, compared with $3,222 for control group members, for an impact of $1,218. The numbers shown here are fairly low because they are averages over all single parents in each group, including zero earnings for those who did not work. Dividing these averages by the number of people who worked in an average month during the year gives an estimate of the earnings of people who worked throughout the year. In Year 2, for example, people in the program group who worked throughout the year earned an average of $10,936 ($4,440/0.406), while those in the control group earned $10,704 ($3,222/0.301). The fact that average earnings among workers — note that this is a non-experimental comparison — are similar for the two groups suggests that the program produced an impact on average earnings because it encouraged more people to work and not because people in the program group got higher-paying jobs than their control group counterparts.

Employment Stability and the Number of Months Employed

SSP encouraged more people to go to work, but how much did they work and how consistently did they stay employed? One of the ideas behind the time-limited supplement was that parents who went to work would accumulate work experience that would enable them to stay employed for the longer term. In addition, more work experience might help them increase their earnings over time, so that they would not need to return to income assistance once they lost the supplement. For these longer-term effects to occur, people who went to work because of the supplement would have to have stayed employed fairly consistently. This section presents estimates of the program's effect on stable employment.

SSP could have either increased or decreased employment stability. On the one hand, the generous supplement created an incentive for people to stay employed during the three-year period, since each month of not working meant the loss of a substantial amount of extra income — over $800, as is shown in Chapter 2. This effect might also have led to an increase in employment stability after the three-year point, because the program group would have accumulated more consistent work experience. On the other hand, the program might have decreased stable employment if it encouraged many parents to go to work who would not have worked otherwise and had little prior work experience. People who would not have gone to work in the absence of the program might have had more problems staying employed than those who would have worked anyway.

Table 3.2 presents an analysis of employment stability and number of months employed through Month 52. (A similar analysis through Month 36 appears in an earlier report

(Michalopoulos et al., 2000).) The first row shows the number of months employed full time, which is another way of quantifying the program's effect on employment over the entire follow-up period. SSP increased total full-time employment by 46.2 per cent, from an average of 9.2 months per control group member to 13.4 months per program group member.

Table 3.2: SSP Impacts on Employment Stability and Months of Full-Time Employment in the 54 Months After Random Assignment

Employment Outcome	Program Group	Control Group	Difference (Impact)	Percentage Change (%)
Months of full-time employment				
Average months employed full time in months 1 to 52	13.4	9.2	4.2 ***	46.2
Stability of full-time employment (%)				
Employed full time in months 1 to 18	42.6	27.6	15.0 ***	54.4
Not employed full time or unstable full-time employment in months 19 to 34	23.1	18.3	4.7 ***	25.9
Stable full-time employment in months 19 to 34	19.6	9.3	10.3 ***	110.7
Not employed full time or unstable full-time employment in months 35 to 52	23.7	16.6	7.1 ***	42.9
Stable full-time employment in months 35 to 52	18.9	11.0	7.9 ***	71.6
Sample size (total = 4,852)	2,460	2,392		

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Rounding may cause slight discrepancies in sums and differences.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Stable full-time employment is defined as working full time 12 or more months in the given period.

The remainder of the table presents the program's effects on employment stability. The first row in this section shows SSP's effect on full-time employment in the first 18 months of follow-up, and the next several rows track the program's effect in subsequent follow-up periods among those who worked full time in the first 18 months, divided into employment that was stable versus employment that was unstable. Stable employment is defined as employment for 12 or more months of a given period, while unstable employment is employment for fewer than 12 months. The next two rows examine what fraction of the employment was stable versus unstable in months 19 to 34 of the follow-up period, and the next two rows present the same breakdown for months 35 to 52 of the follow-up period.

For the program group, for example, 42.6 per cent of the parents worked full time at some point during the first 18 months. Of that group, a little less than half — 19.6 percentage points — worked stably during the next 16 months, and a little more than half — 23.1 percentage points — did not. Following these same parents into the last 18 months of the follow-up period, the division was similar — 18.9 and 23.7 percentage points respectively. Note that even though the percentage of parents with stable employment is the same in the two later periods, it does not necessarily follow that the same people worked stably in both periods. Some parents had stable employment in the first period and not in the second, while others had unstable employment in the first period but stable employment in the second period.

The impacts suggest that most of the employment generated by the program was stable during months 19 to 34. The program increased the percentage of parents employed full time

during the first 18 months by 15 percentage points: that is, 42.6 per cent of the program group worked at some point during this time, compared with 27.6 per cent of the control group. In addition, SSP increased the number of parents who were employed stably during months 19 to 34 by 10.3 percentage points, from 9.3 per cent for the control group to 19.6 per cent for the program group. Thus, of the 15-percentage-point increase in employment, two thirds, or 10.3 percentage points, was stable employment, and the remainder, 4.7 percentage points, was unstable employment.

The story is different for months 35 to 52, where SSP increased both unstable and stable employment equally, by 7.1 and 7.9 percentage points, respectively. In other words, by the period of months 35 through 52 the new employment generated by the program was not primarily stable, but had become a new mix of unstable and stable work.

What accounts for the different results in the two time periods? One possibility is that employment for the program group became less stable over time, and another is that employment for the control group became more stable over time. Further analysis suggests that the first factor accounts for the results. To see why, it is important to understand that the 18.9 per cent of program group members who were employed stably during months 35 to 52 are not necessarily the same people who were employed stably during months 19 to 34. Rather, people moved into and out of the categories over time; some worked stably in the earlier period and unstably in the later, while others moved from unstable work to stable work. An analysis of this movement (not shown) found that relatively more people in the program group than in the control group moved from stable work in months 19 to 34 to unstable work in months 35 to 52. This difference accounts for the declining impacts on employment stability over time and suggests that the program may have dug deeper into the caseload, encouraging work among people who were less able to work consistently for the longer term. These impacts also provide hints as to the possible reasons for the diminishing impacts on employment, which are explored further in a later section.

Wages and Hours Worked

SSP encouraged more people to go to work, but what types of jobs did they take? This section addresses this issue to some extent by looking at hours worked and wage rates. SSP might have affected wages and hours for several reasons. If the program dug deeper into the caseload, for example, it might have increased employment in very low-wage jobs. The supplement itself could also have encouraged parents to take jobs with lower wages than the jobs they would have taken otherwise, since they could make up the difference with the extra supplement income. For this reason, they might also have worked fewer hours than they would have without the supplement. Although parents had to work at least 30 hours to receive the supplement, those working 40 or more hours per week might have cut back on their hours. Finally, the program might have increased wage rates in the longer term if it increased employment stability, as it did in months 19 to 34.

Table 3.3 presents the program impacts on wages and hours worked. The data are shown at three points in time during the follow-up period in order to offer a comprehensive look at the program's effects. The first column under each point in time shows the outcomes for the control group, and the second column shows SSP's impact, or the difference between the program and control groups.

Table 3.3: SSP Impacts on the Distributions of Wages and Hours, Months 15, 33, and 52

Outcome	Month 15 Control Group	Month 15 Difference (Impact)	Month 33 Control Group	Month 33 Difference (Impact)	Month 52 Control Group	Month 52 Difference (Impact)
Hourly wage rate (% in each category)						
Not working	71.1	-12.0 ***	66.1	-6.1 ***	58.4	-0.3
Wage unreported[a]	1.3	-0.3	2.3	-0.6	3.3	-1.2 **
Less than minimum wage[b]	3.8	-0.1	4.9	-0.5	4.1	0.3
Minimum to $1.99 above minimum	11.8	12.5 ***	13.5	6.8 ***	15.3	1.2
$2 or more above minimum	12.0	0.0	13.3	0.4	18.9	0.0
Hours worked per week (% in each category)						
Not working	71.1	-12.0 ***	66.1	-6.1 ***	58.4	-0.3
Hours per week unreported[a]	0.7	-0.1	0.7	-0.1	0.7	-0.1
Fewer than 30	12.8	-2.0 **	13.9	-2.8 ***	14.5	-1.3
30	1.8	4.9 ***	2.0	3.9 ***	2.5	0.9 *
31 to 39	5.0	6.1 ***	6.1	4.3 ***	8.7	-0.2
40 or more	8.6	3.1 ***	11.2	0.9	15.1	0.9
Sample size	2,392		2,392		2,392	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

All analyses were only for those who responded to the 54-month survey.

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

Rounding may cause slight discrepancies in sums and differences.

[a]Sample members in this category were employed during the month but did not report enough information about hours worked and/or earnings for the outcome in question to be calculated.

[b]In British Columbia the minimum wage was $5.50 per hour from the beginning of the random assignment period in November 1992 until April 1993 when it rose to $6.00. The minimum wage increased to $6.50 in March 1995 and to $7.00 in October 1995. In April 1998 it was increased again, to $7.15. In New Brunswick the minimum wage was $5.00 per hour from 1992 through 1995. In January 1996 it increased to $5.25, and in July 1996 it rose again to $5.50.

The top panel shows hourly wage rates. Trends over time for the control group show increasing employment (as was also shown in Figure 3.1) and some evidence of wage growth.[3] At Month 15, only about 30 per cent were working (or 71.1 per cent were not working) and 12.0 per cent were earning $2 or more above the minimum wage. By Month 52, more than 40 per cent were working and 18.9 per cent were earning $2 or more above the minimum wage. Although these figures are not conclusive evidence of wage growth, since they do not compare the same workers over time, they do suggest that some workers were earning more over time. Alternatively, people who got jobs later in the follow-up period may have obtained higher wages than those employed earlier.

The impacts of the program on employment follow the trend shown earlier, largest at Month 15 and statistically insignificant by Month 52. Most of the employment generated by SSP was in jobs that paid within $2 of the minimum wage. In Month 15, for example, SSP increased employment by 12 percentage points and increased employment in jobs paying within $2 of the minimum wage by 12.5 percentage points, suggesting that all of the new employment was in this pay range. The table shows no evidence that people responded to the incentives by taking jobs with lower wages than the jobs they would have taken otherwise, given that there were no negative impacts on the percentage working at $2 or more above the

[3]The minimum wage increased several times over the follow-up period. The estimates in Table 3.3 reflect these changes.

minimum wage. By Month 52, the percentage of each group working was the same, and the members of the two groups earned similar wages. The fact that wages were not higher for the program group indicates that SSP did not affect wage growth, on average, among those who took up the supplement.

The impacts on wage rates also provide information about the types of parents who went to work as a result of the program. Among the control group members, for example, more than 40 per cent of those working at Month 15 (12.0 percentage points out of the 28.9 per cent who worked) earned $2 or more above the minimum wage. Among the new employment generated by SSP, in contrast, none of the jobs earned wages that high. In other words, SSP had no impact on the percentage of people earning $2 or more above the minimum wage. This difference suggests that the program encouraged parents to go to work who, on average, were more disadvantaged and had fewer skills than those who would have worked anyway. This finding is consistent with a more detailed analysis presented in the earlier report that inferred the characteristics of "supplement-motivated" workers (Michalopoulos et al., 2000).

The bottom panel of Table 3.3 shows hours worked per week. The data for the control group show that most of those who worked at the point in time worked full time, or at least 30 hours per week. For example, 28.9 per cent worked at the 15-month point and only 44 per cent (12.8/28.9) of those working worked fewer than 30 hours per week. The impacts show that all of the new employment generated by the program — 12 percentage points in Month 15 — for example, was full-time employment, which would be expected, given that full-time work was required to receive the supplement. In fact, a fairly large portion of the new employment is concentrated at exactly 30 hours per week, with the smallest portion at 40 or more hours. A similar pattern exists at Month 33. Nonetheless, there is no strong evidence that the program encouraged people working 40 or more hours per week to reduce their hours, while still qualifying for the supplement, since it had no significant impact on this outcome.

Wage Growth

The similar wage rates for the program and control groups in Table 3.3 suggest that SSP did not affect wage growth on average for supplement takers. However, this evidence is only indirect, since it does not focus on changes in individuals' wages over time. One of the hopes in SSP was that people who went to work would see their wages increase over time, as they accumulated work experience, so that they would not need to return to income assistance after the supplement ended.

Table 3.4 presents evidence on SSP's effects on wage growth for people who were working both at the end of Year 1 (at least two of months 12 to 14) and the end of Year 4 (at least two of months 49 to 51). The top panel presents these estimates for those who worked either part time or full time, and the first row shows that few in the study sample met this criterion; 73.5 per cent of the program group members and 80.8 per cent of the control group members were not employed at both points in time. Stated differently, SSP increased the percentage of people who worked in both periods by 7.2 percentage points. The remaining rows examine wage growth for this extra employment.

Table 3.4: SSP Impacts on the Distribution of Wage Growth Between End of Year 1 and End of Year 4, for Sample Members Working at Both Points in Time

Outcome	Program Group	Control Group	Difference (Impact)	Standard Error
Wage growth for all workers (% in each category)				
Did not work at both points in time	73.5	80.8	-7.2 ***	(1.2)
Worked but wage unreported[a]	1.7	1.9	-0.2	(0.4)
Wage decreased	6.3	5.7	0.6	(0.7)
Wage increased less than 5 per cent	3.1	2.4	0.7	(0.5)
Wage increased 5 to 10 per cent	1.9	1.5	0.4	(0.4)
Wage increased 10 to 20 per cent	4.2	2.7	1.6 ***	(0.5)
Wage increased more than 20 per cent	10.9	7.0	3.9 ***	(0.8)
Wage growth for full-time workers (% in each category)				
Did not work full time at both points in time	84.4	91.7	-7.3 ***	(0.9)
Worked full time but wage unreported[a]	0.7	0.8	-0.1	(0.2)
Wage decreased	2.6	2.0	0.6	(0.4)
Wage increased less than 5 per cent	2.0	1.0	0.9 ***	(0.3)
Wage increased 5 to 10 per cent	1.2	0.6	0.6 **	(0.3)
Wage increased 10 to 20 per cent	2.6	1.2	1.4 ***	(0.4)
Wage increased more than 20 per cent	7.3	3.4	3.8 ***	(0.6)
Sample size (total = 4,852)	2,460	2,392		

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a] In British Columbia the minimum wage was $5.50 per hour from the beginning of the random assignment period in November 1992 until April 1993, when it rose to $6.00. The minimum wage increased to $6.50 in March 1995 and to $7.00 in October 1995. In April 1998 it was increased again to $7.15. In New Brunswick the minimum wage was $5.00 per hour from 1992 through 1995. In January 1996 it increased to $5.25, and in July 1996 it rose again to $5.50.

The impacts indicate that SSP increased relatively high wage growth, both for all workers and for full-time workers. Among all workers, 7 per cent of the control group saw their wages increase by 20 per cent or more, compared with 10.9 per cent of the program group. The second panel restricts the analysis to people who were working full time in both periods. The first row shows that fewer people in both groups met this criterion; 84.4 per cent of the program group and 91.7 per cent of the control group either were not working at all or were not working full time at one or both points. Nonetheless, the impact on working full time in both periods — 7.3 percentage points — is similar in size to the impact in the first panel. The impacts on wage growth for full-time workers tell basically the same story, in that most of SSP's effects were to increase relatively high-wage growth, presumably by encouraging supplement takers to work more months than they would have otherwise.

If SSP increased the number of people who experienced high wage growth (Table 3.4), why are average wages similar across workers at the end of the follow-up period (Table 3.3)? The most obvious reason is that the two samples are quite different. The analysis of wage rates in Table 3.3 is based on all people who were employed at the end of Year 4, whereas the analysis for Table 3.4 is based on a subset of that sample, or all people who were employed at the end of Y4 and also at the end of Year 1. Since the latter sample, the subset, is about half the size of the former, it is possible that the impacts on wage growth are too small to show up in the larger sample. Another possible explanation is that on average the people in the program group who took up the

supplement started out with lower wages than control group members. The wage information from Table 3.3 suggests that the program encouraged relatively more disadvantaged parents to go to work. If this is so, average wages at the end of Year 4 might be similar for the two groups, even though the program group experienced higher wage growth during the period. A final possibility is that rapid wage growth occurred among minimum-wage workers as a direct consequence of the rapid growth in the minimum wage in both New Brunswick and British Columbia.

A final point to note from Table 3.4 is that many of the parents, in both the program and the control groups, experienced fairly substantial wage growth. More than a third of the people in the control group who worked at both points saw their wages increase by 20 per cent or more. A separate analysis (not shown) found that the least skilled workers in the sample, or those with relatively less previous work background and less education, experienced wage growth similar, on average, to that of the more skilled workers. On the one hand, these findings support an underlying hypothesis of SSP, as well as of many other welfare-to-work programs, that work experience can increase earnings. On the other hand, however, they suggest that work experience is not a panacea. Average wages were still fairly low for many workers at the end of the period.

IMPACTS ON THE RECEIPT OF CASH TRANSFERS FROM INCOME ASSISTANCE AND SSP

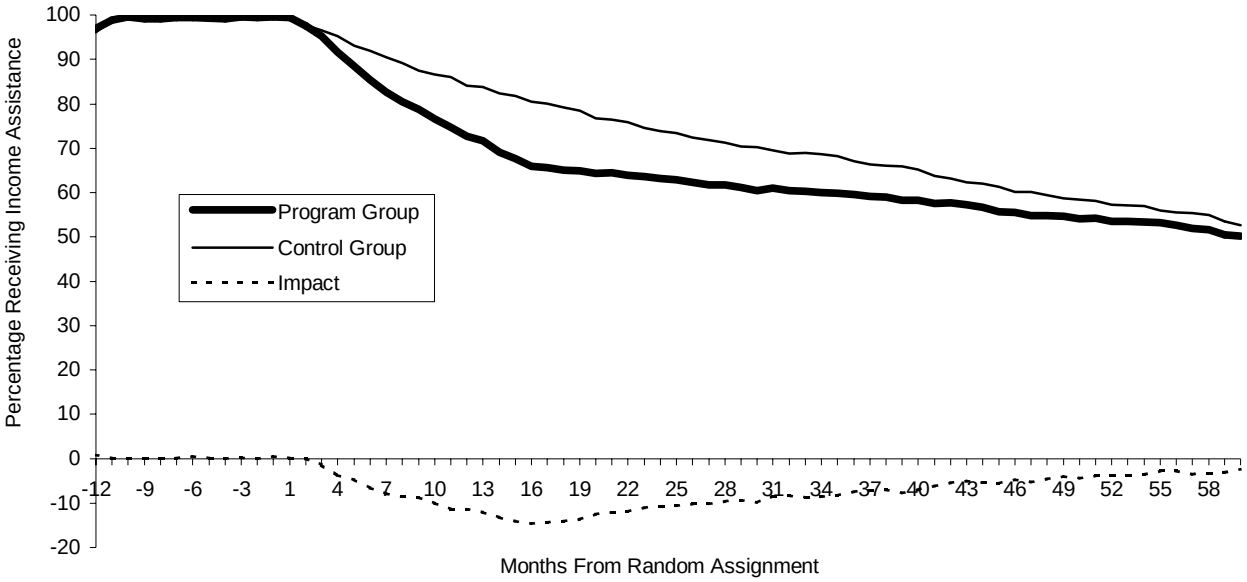
One of SSP's goals was to reduce dependence on welfare. A key requirement of the program was that parents had to leave income assistance in order to receive the supplement. By definition, however, reducing IA use in this way will also lead to an increase in the use of another type of assistance, albeit employment-based. This section presents the program's effects on IA and supplement receipt.

IA Receipt

Figure 3.2 presents IA receipt over the 60-month period after random assignment (the results are also presented in summary form in Table 3.5). The follow-up period for transfer receipt is longer than for employment and earnings, given the different sources used for each outcome. The figure shows the fraction of each group that received income assistance in each month of follow-up. The fact that receipt rates are close to 100 per cent in the 12 months prior to random assignment reflects one of the criteria used for inclusion in the evaluation: the sample was restricted to single parents who had received income assistance for at least 11 of the 12 months before random assignment.

The figure shows that IA use fell over time for the control group, which is a typical pattern among welfare recipients. By Month 14, for example, only 82 per cent received income assistance. Receipt fell much more rapidly for the program group, however, as single parents were induced by the program to leave income assistance and sign up for SSP. By Month 14, only 69 per cent of the program group received income assistance. As with the impacts on employment, the impacts on income assistance were largest at the beginning of Year 2 and slowly diminished after that. Unlike the employment impacts, however, which did not persist much beyond Year 4, the reduction in IA receipt continued through the end of Year 5 (or through Month 60). In Month 60 the impact was a statistically significant 2.4 percentage points.

Figure 3.2: Receipt of Income Assistance, by Months From Random Assignment



Source: Calculations from income assistance administrative records.

Table 3.5: SSP Impacts on Income Assistance and Cash Transfers

Outcome	Program Group	Control Group	Difference (Impact)	Standard Error
Monthly rate of IA receipt (%)				
Year 1	85.3	91.5	-6.2 ***	(0.7)
Year 2	65.8	78.7	-12.9 ***	(1.1)
Year 3	60.9	70.1	-9.2 ***	(1.2)
Year 4	57.1	63.0	-5.9 ***	(1.3)
Year 5	52.8	56.2	-3.4 ***	(1.3)
Average IA payments ($/year)				
Year 1	9,111	9,530	-419 ***	(114)
Year 2	7,046	8,280	-1,234 ***	(145)
Year 3	6,186	7,090	-904 ***	(143)
Year 4	5,498	6,075	-578 ***	(137)
Year 5	4,934	5,245	-311 **	(135)
Monthly rate of receipt of IA or SSP (%)				
Year 1	94.0	91.5	2.5 ***	(0.5)
Year 2	86.3	78.7	7.6 ***	(0.9)
Year 3	80.2	70.1	10.1 ***	(1.1)
Year 4	67.8	63.0	4.8 ***	(1.2)
Year 5	53.2	56.2	-3.1 **	(1.3)
Average payments from IA and SSP ($/year)				
Year 1	10,239	9,530	710 ***	(104)
Year 2	9,341	8,280	1,061 ***	(128)
Year 3	8,161	7,090	1,070 ***	(131)
Year 4	6,564	6,075	488 ***	(130)
Year 5	4,971	5,245	-274 **	(134)
Sample size (total = 4,852)	2,460	2,392		

Sources: Calculations from income assistance (IA) administrative records and payment records from SSP's Program Management Information System.

Notes: The estimates for each year, with the exception of payment estimates, are calculated by averaging the four quarterly estimates
Sample sizes vary for individual measures because of missing values.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

The fact that the impacts persisted after supplement eligibility ended and after the employment impacts faded is most likely due to differences in effects across provinces. As was mentioned earlier, the employment impacts in New Brunswick persisted at least through the middle of Year 5 (the latest available for employment data). Data by province (see Chapter 6 and Appendix C) show that although the impacts on IA receipt did fade over time in New Brunswick, they were still statistically significant in Year 5. Thus, as expected, the reductions in IA use mirror the increases in employment.

IA or SSP Receipt

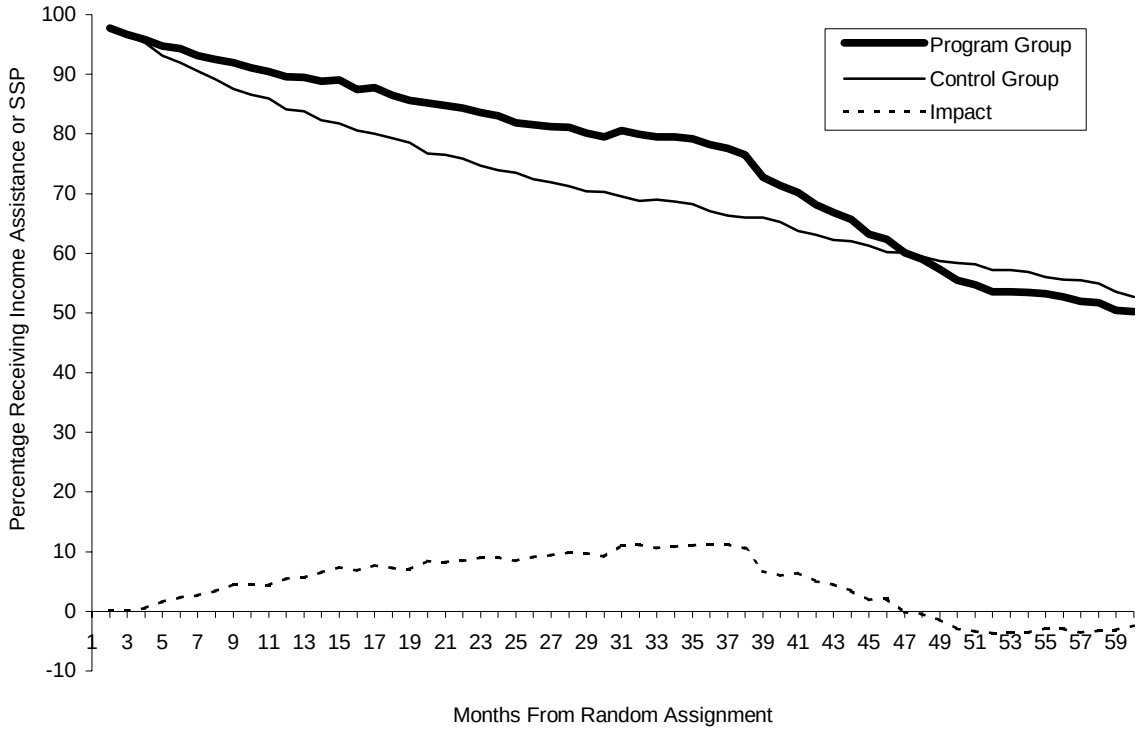
SSP's impact on the receipt of cash transfers depends on its effects on both IA use and supplement receipt. Since single parents who decided to take up the SSP offer had to leave income assistance in order to receive the supplement, the program should have reduced IA use for at least as long as they remained eligible, or for 36 months. Beyond that point, the program might have had little effect if people who would have stayed on income assistance returned to it. The program also should have increased receipt of the SSP supplement, another cash transfer.

The program's effect on total transfers, meaning SSP or income assistance, depends on the extent to which the SSP supplement substituted for income assistance. One possibility is that all of the people who used the supplement left income assistance because of the program. In this case, the increase in supplement receipt would have been offset one-for-one by a decrease in IA recipients. Another possibility is that all of these people would have left income assistance anyway and simply signed up for SSP after they did so. In this case, the program would not have reduced IA receipt, but would have increased SSP receipt, and would have increased the total use of transfers. As this section shows, the real story is somewhere in between these two extremes, meaning that the program reduced IA receipt but also led to some increase in total transfer receipt.

Figure 3.3 shows total benefit receipt — of income assistance or SSP — over the follow-up period. Transfer receipt fell over time for both groups, but the impacts in this case increased over time. The reason for the increase is that supplement takers in the program group continued using the supplement over time while they worked, while more and more people in the control group went to work and left income assistance. As expected, the increase in transfer receipt began to fade after Month 37, when most program group members started reaching the three-year cliff. In fact, once nearly all takers had all reached the cliff, or by Month 47, the impact stopped changing. The program group was less likely than the control group to receive benefits (in this case IA benefits) beyond that point. This impact reflects that shown on the previous page, in which there was a reduction in IA use beyond Year 4.

Thus, the program increased total transfer receipt, meaning that there was not a one-for-one substitution of income assistance for supplement among takers. Instead, some fraction of supplement takers got the supplement without changing their behaviour, since they would have left income assistance for work anyway. Nonetheless, by the end of Year 4, the program group as a whole was less likely to receive transfers than the control group.

Figure 3.3: Receipt of Income Assistance or SSP, by Months From Random Assignment



Sources: Calculations from income assistance administrative records and SSP's Program Management Information System.

IMPACTS ON INCOME, POVERTY, AND MATERIAL HARDSHIP

Although increasing employment and reducing dependence on welfare were important goals of the program, equally important was reducing poverty. The generous earnings supplement was designed to encourage work but also to provide a significant boost to the incomes of low-income families. As was shown in a previous report (Morris & Michalopoulos, 2000) and is shown in Chapter 5 of this report, doing so can have important positive effects on parents and their children. This section examines SSP's effects on income, poverty, and material hardship.

Table 3.6 presents data on income and poverty at three points in time during the follow-up period. The first column under each period shows outcomes for the control group, and the second shows the impact of the program, or the difference between outcomes for the program and control groups. The top panel presents sources of individual income. As has already been shown, the program increased individual earnings and supplement receipt and reduced IA receipt, primarily during the time in which families were still receiving the supplement, or the first four years after random assignment. In the six months prior to Month 54, monthly earnings were the same for both groups (the impact of $19 was not statistically significant), and the program group received somewhat less ($31) in IA benefits.

The last two rows of the first panel show impacts on other income sources. Although the program did not set out to affect other types of income directly, it may have done so indirectly in a variety of ways. Because supplement takers had higher income from earnings and supplement receipt, they may have reduced their reliance on other income sources. Similarly, individuals outside of the family may have reduced their contributions, such as child support or

other help, in response to the family's changed economic circumstances. The program did not affect the receipt of other transfer income but did reduce the amount of other unearned income, by $11 per month at Month 36 (although the difference is not statistically significant) and by $17 per month at Month 54.

Table 3.6: SSP Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 18-Month, 36-Month, and 54-Month Follow-Up Interviews

	18-Month		36-Month		54-Month	
Outcome	Control Group	Difference [a] (Impact)	Control Group	Difference [a] (Impact)	Control Group	Difference [a] (Impact)
Sources of individual income ($/month)						
Earnings	227	127 ***	355	59 **	485	19
SSP supplement payments	0	193 ***	0	162 ***	0	4 ***
IA payments	723	-109 ***	573	-71 ***	446	-31 ***
Other transfer payments[b]	207	-9 **	238	2	300	0
Other unearned income[c]	54	2	93	-11	96	-17 **
Projected taxes and net transfer payments ($/month)						
Projected income taxes[d]	4	27 ***	63	33 ***	63	-4
Net transfer payments[e]	925	58 ***	758	55 ***	691	-26
Total monthly individual and family income						
Total individual income ($)	1,222	210 ***	1,270	135 ***	1,340	-29
Total individual income net of taxes ($)	1,198	165 ***	1,207	102 ***	1,278	-25
Total family income ($)[f]	1,298	199 ***	1,450	148 ***	1,635	-10
Income below the low income cut-offs (%)[g]	89.3	-12.4 ***	85.8	-9.4 ***	81.3	-0.9
Below 50% of LICOs	21.2	-3.6 ***	26.3	-2.7 *	26.7	1.0
50 to 75% of LICOs	50.5	-10.5 ***	46.1	-7.6 ***	40.0	-1.6
75 to 100% of LICOs	17.6	1.7	13.4	0.9	14.5	-0.3
Income above low income cut-offs	10.7	12.4 ***	14.3	9.4 ***	18.7	0.9
Sample size	2,373	4,826	2,373	4,826	2,373	4,826

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and p records from SSP's Program Management Information System.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differen

All analyses were only for those who responded to the 54-month survey.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical significance lev indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

[a] The sample size in this column is the sum of the program and sample group sizes.

[b] Includes the Child Tax Benefit, the Goods and Services Tax Credit, Employment Insurance (EI), provincial tax credits, and, for month sample only, the Family Bonus.

[c] Includes alimony, child support, income from roomers and boarders, and other reported income.

[d] Includes projected EI premiums and Canada Pension Plan premiums deducted at payroll, and projected income taxes. Payro and income taxes were projected from federal and provincial tax schedules and data on earned and unearned income and SSP supple payments; the actual taxes paid by sample members may differ from these projections.

[e] Includes public expenditures on SSP, IA payments, and other transfers, net of income tax revenue.

[f] Family income is measured as the sum of the sample member's income and the labour earnings of any other members in that person' family.

[g] Calculated by comparing annualized family income with the low income cut-off (LICO) defined by Statistics Canada for the sample member's location and family size.

The middle panel presents taxes and net transfer payments and shows that, although the government spent money providing more generous transfers to the program group, it also got some of this money back in the form of higher tax revenues. In the six months prior to Month 36, for example, the government collected on average $33 more from program group members than from control group members in taxes (income taxes, payroll taxes, and

Employment Insurance premiums). Net of these extra collections, the government paid out an extra $55 per month on average for members of the program group. By Month 54, however, there were no significant differences between the two groups.

Income and poverty are shown in the last panel. The impacts show that the program increased both individual and family income throughout much of the follow-up period, although there were no differences between groups by Month 54. Individual income was higher for program group members by an average of $135 at Month 36, and family income was higher by $148. Not surprisingly, the program also reduced poverty, or the percentage of families with income below Statistics Canada's low income cut-offs. At Month 36, 85.8 per cent of the control group had incomes below the low income cut-offs, and SSP reduced this number for the program group by 9.4 percentage points. The impacts also show that the program somewhat reduced the number of families in severe poverty, or with incomes below 50 per cent of the low income cut-offs (by 2.7 percentage points at Month 36). Most of the families it appears to have affected, however, were those with incomes between 50 and 75 per cent of the low income cut-offs.

The experimental comparisons in Table 3.6 show that SSP increased families' incomes and reduced poverty during the period in which families received supplement payments. However, the impacts shown in the table are averages over the full program group, including the many program group members who did not take up the supplement. As a result, they understate the actual effect of SSP on families who took up the supplement. SSP was designed as a program that could double a family's earnings, and, as is discussed in Chapter 2, the supplement added a substantial amount ($820 on average) to the monthly incomes of those who received it.

A rough estimate of SSP's effects on those who took up the supplement can be obtained by dividing the impact on income by the fraction of the program group that took up the supplement. For example, SSP increased family income at the 18-month point by $199 per program group member. For each family who took up the supplement, then, their increase in income was $552 ($199/0.36). This is likely to be a lower-bound estimate of the effects on takers in a given month, since, as is shown in Chapter 2, only about 20 to 25 per cent of the program group received the supplement in any given month during Year 2 to Year 3 (see Figure 2.1). Thus, the increase in income experienced by a supplement taker in a given month is estimated to be $796 (or $199/0.25).

Table 3.7 presents data on family expenditures, material hardship, assets, and debt. By increasing family income, the program could potentially affect each of these outcomes, some more immediately than others. Families might use the extra income, for example, to increase spending on basic necessities, while it might take longer for income changes to affect the accumulation of savings or the paying off of debt.

The impacts show that some families used their increased income to buy basic necessities, particularly food and clothing. Not surprisingly, families in the program group were less likely to report material hardship in terms of not being able to buy groceries. As with the effects on income, all of the impacts on these outcomes occurred during the period in which families received the supplement, or during the first three to four years. The bottom two panels show that despite an increase in high savings at Month 36 and an increase in high debt at Month 54, the program had few systematic lasting effects on savings or debt.

Table 3.7: SSP Impacts on Expenditures, Hardship, and Assets

Outcome	18-Month Control Group	18-Month Difference [a] (Impact)	36-Month Control Group	36-Month Difference [a] (Impact)	54-Month Control Group	54-Month Difference [a] (Impact)
Expenditures ($/month)						
Spending on groceries	351	18 ***	359	13 **	369	-1
Spending on eating out	40	4 **	46	7 ***	40	2
Spending on children's clothing	43	5 ***	45	2	40	0
Spending on own clothing	n/a	n/a	14	1 **	13	0
Spending on child care	n/a	n/a	21	11 ***	36	1
Rent	457	11	407	10	483	-1
Hardship (%)						
Used food bank in last three months	20.1	-1.6	17.9	-0.6	18.2	-0.4
Couldn't get groceries	41.3	-2.9 **	33.7	-4.1 ***	30.6	0.5
Gas or hydro turned off	3.4	-0.1	1.9	0.3	2.3	0.2
Money in bank						
Amount of money in bank ($)	n/a	n/a	258	9	250	13
Money in bank unreported (%)	n/a	n/a	11.9	-0.5	7.6	-0.1
No money in bank (%)	n/a	n/a	31.9	-1.2	37.3	-0.8
$1–$499 in bank (%)	n/a	n/a	48.9	-0.1	45.5	0.7
$500 and above in bank (%)	n/a	n/a	7.3	1.9 **	9.6	0.2
Debt						
Amount of debt ($)	n/a	n/a	2,622	-154	3,383	94
Debt unreported (%)	n/a	n/a	10.0	-0.3	5.3	-0.4
No debt (%)	n/a	n/a	45.1	0.3	42.9	-0.7
Debt of $1–$2,499 (%)	n/a	n/a	23.0	0.3	24.2	-1.3
Debt of $2,500 and above (%)	n/a	n/a	21.9	-0.2	27.6	2.4 *
Sample size	2,392	4,852	2,392	4,852	2,392	4,852

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: All analyses were only for those who responded to the 54-month survey.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

Sample sizes vary for individual measures because of missing values.

Sample members were asked at each interview how much they spent on groceries and eating out in an average week, how much they spent on clothing in the past year, how much they spent on child care in the last month, and how much they spent on rent or mortgage each month. Expenditures on groceries and eating out were converted to monthly estimates by assuming 4.33 weeks per month. For other items, the precise questions as asked in the 54-month survey were as follows. For use of a food bank: "In the past three months, have you or other members of your family used a food bank to obtain groceries for your household?" For children's clothing: "On average how much do you and your family spend each month on children's clothing?" For monthly rent: "What do you and your family pay towards your rent each month or mortgage?"

[a] The sample size in this column is the sum of the program and sample group sizes.

Again, these impacts on expenditures, material hardship, and savings should be interpreted in light of the fact that they are averages over the entire sample. Thus, the relatively small impacts shown here are driven by much larger effects for the families who actually took up the supplement. As is discussed in Chapter 6, supplement recipients reported that the extra money had important effects on their financial well-being. That chapter also examines how these families dealt with the loss of the supplement once their eligibility ended.

WHY DID THE EMPLOYMENT IMPACTS FADE OVER TIME?

By doubling full-time employment at the beginning of Year 2, SSP produced some of the largest employment impacts among welfare-to-work programs evaluated in North America. Nonetheless, employment impacts typically fade over time in these types of programs, and they also eventually did so in SSP. As is shown in Figure 3.1, the impact on monthly full-time employment peaked at about 15 percentage points at the beginning of Year 2 and fell to about 2 to 3 percentage points by the beginning of Year 5.

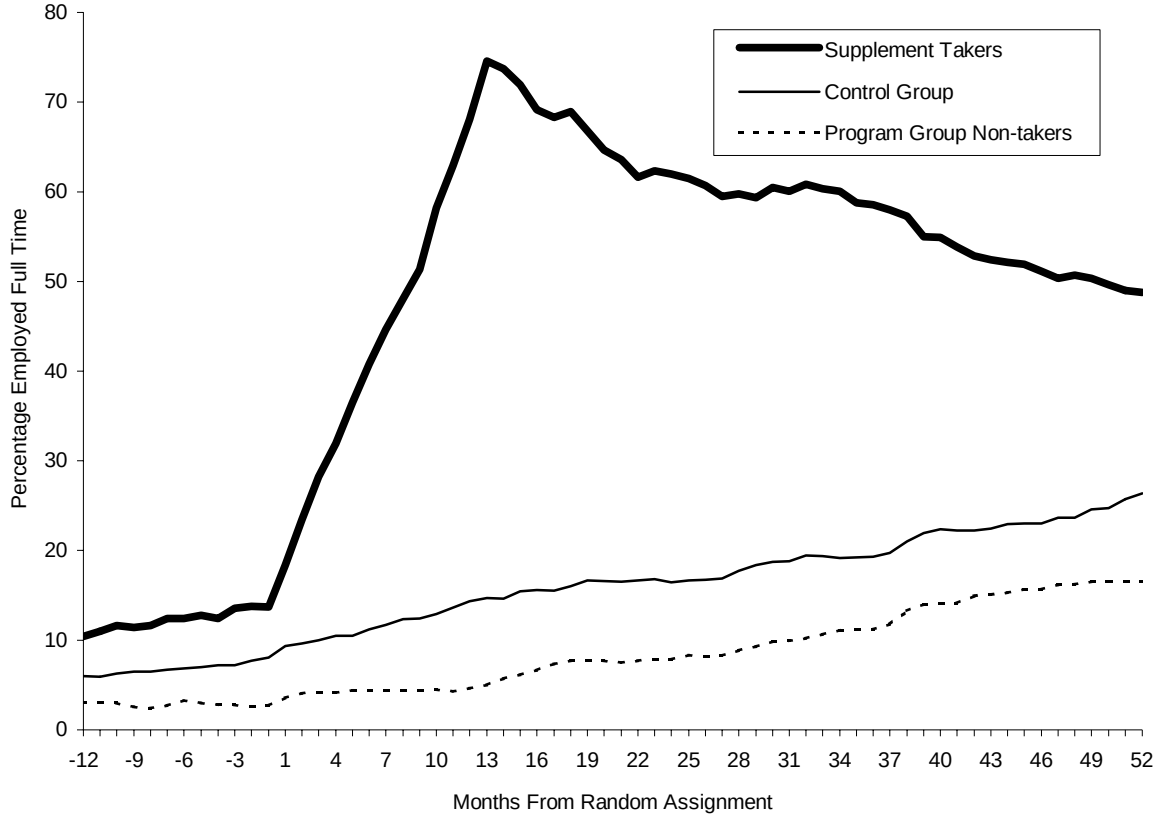
Employment impacts can fade over time for one of two reasons. First, employment rates among the control group can gradually increase and catch up to those for the program group. Second, employment rates can fall for the program group because some of those who went to work in response to the program begin losing their jobs. Figure 3.1 shows a fairly constant rate of employment for the program group and a rising rate for the control group, indicating that control group "catch-up" might be the cause of the declining impacts. However, further analysis suggests that it is only part of the reason.

Figure 3.4 presents full-time employment rates for the program and control groups but separates the program group into supplement takers versus non-takers. Separating the two groups shows that the steady employment rate for the program group as a whole, shown in Figure 3.1, reflect falling employment rates among takers and increasing employment rates among program group non-takers. For supplement takers, employment peaked at 75 per cent in Month 13 and fell to 49 per cent by Month 52. This figure suggests that job loss among takers helps to explain the pattern of impacts.

But how important is job loss relative to control group catch-up? Figure 3.5 provides some insight into this issue by presenting what the impacts would have been under different scenarios. The heavy solid line shows the actual impact of the program on full-time employment, peaking in Month 13 and falling thereafter. The other two lines estimate what the impacts would have been had outcomes been different for (1) those affected by the program, or supplement takers, and (2) those not affected by the program, or program group non-takers and the control group. The thin solid line is the result of an analysis asking "What would the impacts have been had employment rates remained constant at 75 per cent for supplement takers after Month 13?" This exercise assumes that no supplement takers lost their jobs after that month but also that no supplement takers became re-employed if they were not working in that month. The dashed line shows what the impacts would have been had employment not increased for the control group (and program group non-takers) after Month 13, in this case allowing employment for takers to fall as they in fact did. This exercise assumes that SSP had no effects on the employment behaviour of program group non-takers.[4]

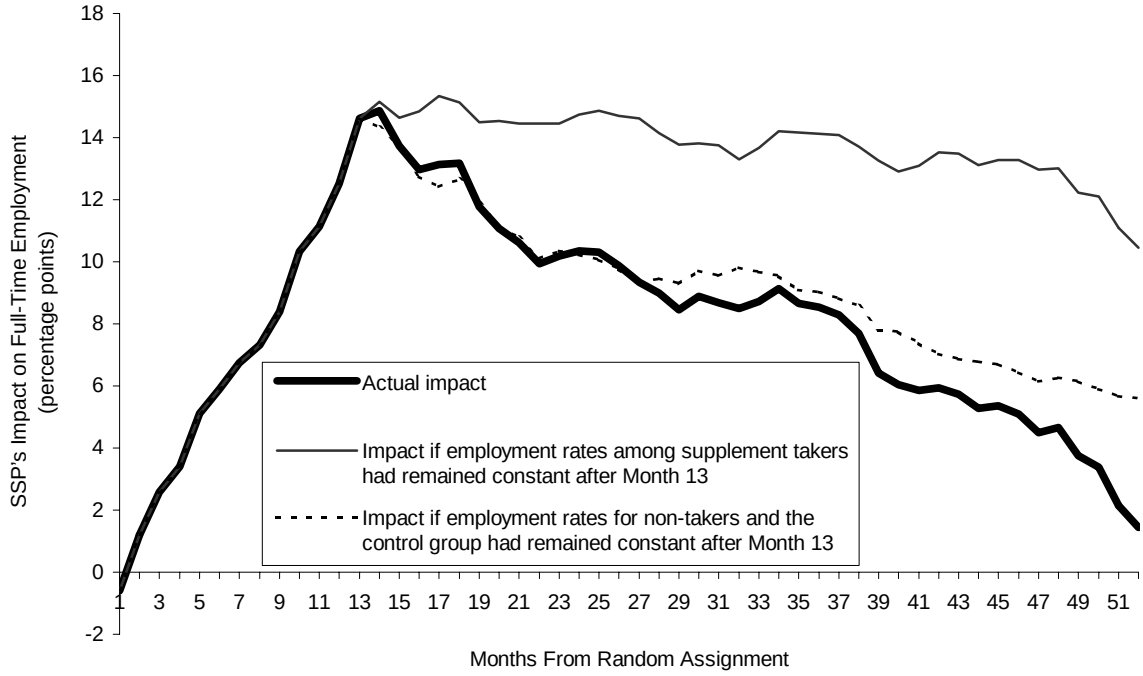
[4]The program could have affected non-takers' employment, for example, if it encouraged more of them to look for work during the supplement take-up period and that search helped them find work later.

Figure 3.4: Full-Time Employ ment Rates for Supplement Takers, Control Group, and Program Group Non-takers, by Months From Random Assignment



Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

Figure 3.5: Actual and Hypothetical Impacts of SSP on Full-Time Employment

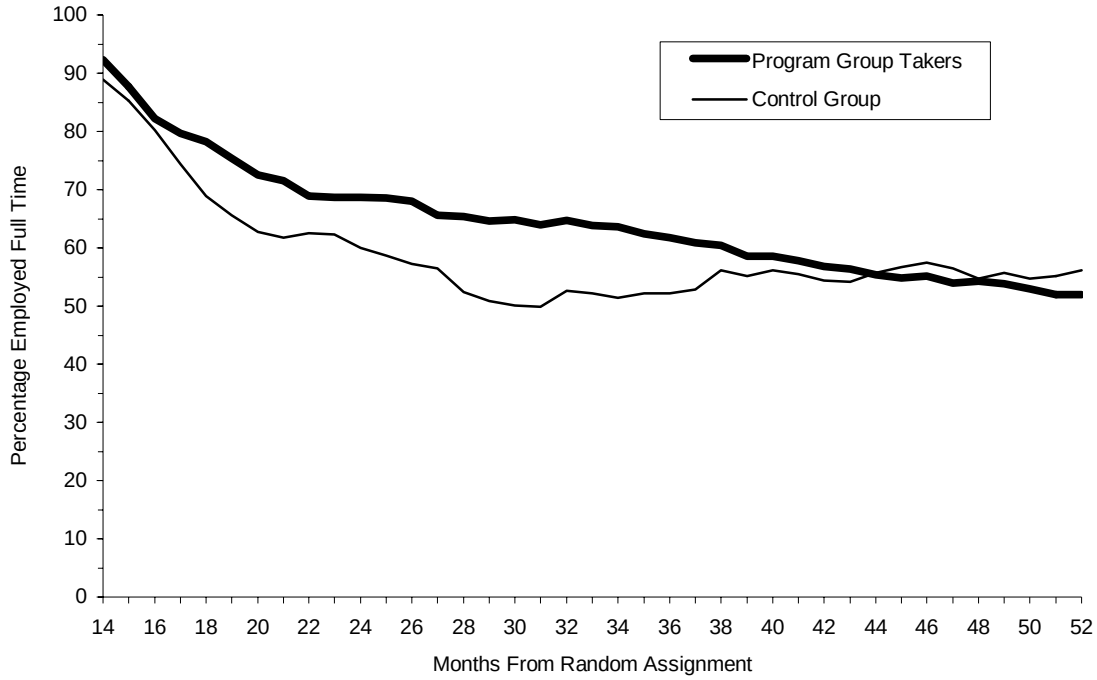


Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

If there had been no increase in employment among the control group or program group non-takers (dashed line), the impacts would have been similar to the actual impacts through about Month 30. By Month 52 the impact would have been close to six percentage points, rather than about two percentage points. In contrast, if there had been no job loss among takers (thin solid line), the impacts would have remained large throughout most of the follow-up period, fading somewhat in the last several months. This exercise suggests that falling employment among takers is largely responsible for the diminishing impacts throughout much of the follow-up period, while control group catch-up played an increasingly important role toward the end of the period. Of course, it is impossible to know exactly how much each factor contributed to the fading impacts, given that this is a simple simulation exercise that is based on several assumptions.

If the impacts faded in part because supplement takers could not stay employed, how is this story consistent with the earlier finding that SSP increased stable employment, at least for the first half of the follow-up period? Figure 3.6 presents employment rates among those who were working at Month 13. Employment rates gradually fell for both supplement takers and the control group, showing that job loss occurs quite frequently among ex-welfare recipients. Employment fell more slowly for takers for the first 32 months, a finding that is consistent with the increase in employment stability shown earlier. Even though the program stemmed job loss to a certain extent, it did not do so enough to sustain the impacts through the end of the fourth year.

Figure 3.6: Full-Time Employment Rates in Years 2 Through 4, for Those Employed at the End of Year 1



Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

CONCLUSIONS

SSP met its goals in that it increased employment, reduced IA use, and reduced poverty. Perhaps not surprisingly, the impacts were most pronounced during the period in which families were still eligible to receive the supplement, and generally did not persist much beyond that point. Nonetheless, many families had substantially higher incomes than they would have had otherwise for a three- to four-year period.

Because the timing of the impacts mirrored the timing of the supplement, an obvious question is whether the supplement eligibility period should have been extended beyond three years. Would the impacts have been different had the supplement lasted four or five years? For the impacts on income and poverty, the answer is most likely yes, since working families would have continued receiving a boost to their monthly incomes. The impacts on employment, on the other hand, may not have continued, since part of the reason they diminished is that some supplement takers could not stay employed, and another part of the reason they diminished is that more control group members began working. Of course, supplement takers who lost their jobs might have been encouraged to go back to work eventually if the supplement had still been available. But the results suggest that the supplement might have been more effective and might have produced longer-lasting impacts if it had been combined with job-retention or re-employment services.

Chapter 4:
Impacts by Subgroup

Chapter 3 describes how SSP increased full-time employment and reduced income assistance (IA) receipt. By the fifth quarter after random assignment, full-time employment was 15 percentage points higher in the program group than in the control group, and IA receipt among program group members was about 13 percentage points lower than among control group members. Both of these impacts were statistically significant; the hypothesis that the impacts were zero can therefore be rejected. By the 18th quarter after random assignment (that is, the second quarter of the fifth year), in contrast, full-time employment in the program group was only 1.5 percentage points higher and IA receipt was only 3.6 percentage points lower than in the control group.

Because the effects of SSP were initially quite sizable, it is natural to ask whether they were distributed evenly across the research sample or whether they tended to be concentrated among certain subgroups. It is also natural to ask whether the lack of significant impacts at the end of the follow-up period was characteristic of a variety of subgroups or whether the program's effects persisted for some subgroups. In this chapter, impacts on IA receipt and full-time employment in Quarter 5 (when most effects of SSP peaked for the full sample) and Quarter 18 (the last quarter for which employment and income information were available) are examined for a variety of subgroups defined according to sample members' characteristics at the time of random assignment. Impacts on income are also examined over the four-and-a-half-year study period.

Several broad categories of subgroups are defined, having to do with the program environment (British Columbia versus New Brunswick), family structure, family background, job-readiness, and barriers to employment. The results presented in this chapter indicate that SSP's initial impacts on IA receipt and employment were seen in virtually all subgroups, despite the fact that the percentage of each subgroup receiving the supplement varied considerably. This finding suggests that an earnings supplement can lead a broad range of people to leave welfare for work. There were, however, a few specific subgroups that exhibited larger impacts than others. In particular, subgroups that were more job-ready or faced fewer barriers to employment tended to have larger impacts. By the 18th quarter, however, differences in impacts for these subgroups were generally no longer statistically significant. Impacts on income over the entire 18-quarter study period exhibited some differences among subgroups, reflecting early differences in impacts, differences in supplement receipt rates, and differences in the way SSP and IA payments are calculated for different types of families.

SUMMARY OF FINDINGS

- SSP benefited a wide range of IA recipients, although impacts were somewhat larger for more employable people. SSP's impacts on full-time employment were spread quite evenly across a broad range of subgroups. By making work pay better than welfare, SSP increased full-time employment of high school graduates as well as

dropouts, those with and those without health barriers, those with young children and those without, and those with considerable prior work experience and those without recent work experience. Still, the impacts tended to be larger among people who appeared more job-ready (such as those with a high school diploma) or who faced fewer barriers to employment (such as those without physical conditions limiting their activity). Even among people who thought they could not work because of physical disabilities, problems with child care, or family or personal responsibilities, SSP had more than doubled full-time employment by the beginning of the second year after random assignment.

- At the end of the follow-up period, SSP had few ongoing effects for most subgroups. As is described in Chapter 3, the effects of SSP were close to zero at the end of the follow-up period. Of 55 different subgroups examined, the program's effect on full-time employment in Quarter 18 (in the middle of the fifth year after random assignment) was statistically significant for only eight subgroups, or about as many subgroups as would be expected to have significant effects by chance. The program's effects on IA receipt were more widespread, with 23 of the 55 subgroups having significant reductions in IA receipt at the end of the follow-up period.

- The effects of SSP were similar in New Brunswick and British Columbia through most of the follow-up period. A particularly important comparison is between New Brunswick and British Columbia, which are very different places with different welfare systems and economies. SSP was successful in both provinces, and many of its effects were similar in the two places. In both provinces, for example, a little more than one third of program group members ever received the supplement, and the program's effect on cumulative income was between $5,000 and $7,000. The fact that SSP was effective in such different locations adds credibility to the notion that the offer of an earnings supplement can have important effects in a variety of circumstances and locations. Although supplement receipt and income gains were similar in the two provinces, impacts on IA receipt and full-time employment were somewhat higher in New Brunswick than in British Columbia. For example, in Quarter 5, SSP reduced IA receipt by 16.3 percentage points in New Brunswick, compared with 10.3 percentage points in British Columbia. The differences were particularly striking at the end of the follow-up period. While the effects of SSP were close to zero in British Columbia, the program continued to reduce IA receipt in New Brunswick (by 6.5 percentage points) and increase full-time employment there (by 5.4 percentage points).

RESULTS FOR SEVERAL KEY SUBGROUPS

Program Environment

British Columbia (and the Vancouver area in particular) and New Brunswick are very different places. Vancouver is a large metropolitan area, while New Brunswick consists of several small cities and some rural areas. British Columbia has a relatively high proportion of Asian immigrants and citizens of First Nations ancestry, while New Brunswick is the only officially bilingual province in Canada. While New Brunswick is predominantly Roman Catholic, British Columbia has many people from a number of different religions. British

Columbia has a more robust economy than New Brunswick: from 1992 to 1996 the unemployment rate in British Columbia averaged 9.5 per cent, while in New Brunswick the unemployment rate averaged 12.2 per cent. British Columbia also has a more generous IA system and a higher cost of living than New Brunswick.

Because they are such different places, the effects of SSP might have been very different in the two provinces. However, SSP offered somewhat different financial incentives in the two provinces, in part to reflect differences in cost of living and in IA benefit levels, but also in an effort to achieve similar effects in the two provinces.

Table 4.1 shows results by province for several measures: the proportion of program group members who ever received the supplement; the program's effect on IA receipt in quarters 5 and 18; the program's effect on full-time employment in quarters 5 and 18; and the program's effect on income from earnings, IA, and SSP supplement payments through the 18th quarter.

Table 4.1: SSP Impacts on Selected Outcomes, by Province

Outcome and Subgroup	Program Group	Control Group	Difference (Impact)		Standard Error	
Ever received a supplement (%)						†
British Columbia	34.0	n/a	34.0		n/a	
New Brunswick	37.4	n/a	37.4		n/a	
IA receipt (%)						
Quarter 5						†††
British Columbia	75.1	85.5	-10.3	***	(1.5)	
New Brunswick	63.3	79.6	-16.3	***	(1.8)	
Quarter 18						††
British Columbia	53.6	54.6	-1.0		(1.9)	
New Brunswick	53.3	59.8	-6.5	***	(2.0)	
Full-time employment (%)						
Quarter 5						n.s.
British Columbia	27.4	13.7	13.7	***	(1.5)	
New Brunswick	32.3	16.3	16.0	***	(1.7)	
Quarter 18						†††
British Columbia	24.3	26.4	-2.0		(1.7)	
New Brunswick	32.0	26.6	5.4	***	(1.8)	
Cumulative income ($)						n.s.
British Columbia	65,395	59,935	5,460	***	(1,279)	
New Brunswick	50,121	43,462	6,658	***	(850)	
Sample size						
British Columbia	1,294	1,244				
New Brunswick	1,166	1,148				

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and SSP's Program Management Information System.

Notes: The subgroups are defined according to characteristics at random assignment.
Cumulative income is total earnings, income assistance, and SSP payments received in months 1–54.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
F-tests were applied to differences among subgroups in estimated impacts. Statistical significance levels are indicated as: † = 10 per cent; †† = 5 per cent; ††† = 1 per cent. The abbreviation "n.s." indicates that the variation in impacts among the subgroups is not statistically significant.
Sample sizes may vary for individual items because of missing values.

In trying to determine whether impacts were greater for certain subgroups than for others, it is important to remember that estimated impacts could be greater for particular subgroups simply by chance. This random difference could make the estimated impact on employment (the difference between program and control group outcomes) larger in one province than in the other, even if the actual impact (the difference that was due to SSP, not to random factors) was the same for the two provinces. A statistical test (the F-test) was performed to determine whether differences between subgroup impact estimates could easily be due to such chance factors. For each outcome, the results of the test are shown in the columns next to the standard errors. The abbreviation "n.s." (not significant) indicates that the variation in estimated impacts is not statistically significant (i.e. the observed subgroup differences could easily be due to chance and should not be regarded as evidence that impacts actually differed between the subgroups). Daggers indicate that the variation is statistically significant, meaning that the conclusion that there was a difference between subgroups in the impact of SSP can be made with reasonable confidence.

The subgroups examined in this chapter were defined on the basis of sample members' characteristics at the time of random assignment. Within each subgroup, the program and control group members would have been similar to each other with regard to all factors that affect employment and other outcomes, except that program group members were offered the supplement and control group members were not. If a subgroup had instead been defined on the basis of a characteristic measured after random assignment, the program and control group members within the subgroup would not necessarily be comparable to each other, and it might not be possible to obtain reliable estimates of SSP's impact. An example of this would be an attempt to estimate the impact on earnings in Quarter 2 for a subgroup consisting of all sample members who were still on income assistance in Quarter 2. Since SSP reduced IA receipt in Quarter 2, this subgroup would contain fewer program group members than control group members, and more importantly, it is quite likely that the program group members within the subgroup would have systematically different characteristics from the control group members. Although statistical adjustments could be made for some of these differences, there might still be important differences in unmeasured characteristics (such as motivation).

SSP was successful in both provinces, and many of its effects were similar in the two places. More than a third of program group members ever received the supplement, for example, and the program's effect on cumulative income was between $5,000 and $7,000 in both provinces.

Although supplement receipt and income gains were similar in the two provinces, impacts on IA receipt and full-time employment were somewhat higher in New Brunswick than in British Columbia. For example, in Quarter 5, SSP reduced IA receipt by 16.3 percentage points in New Brunswick, compared with 10.3 percentage points in British Columbia. The differences are particularly striking at the end of the follow-up period. While the effects of SSP were close to zero in British Columbia, the program continued to reduce IA receipt in New Brunswick (by 6.5 percentage points) and to increase full-time employment (by 5.4 percentage points).

Work Status at Random Assignment

To receive the SSP supplement, sample members had to work 30 hours per week or more. For a variety of reasons, it may have been easier for people who were already working part time at the time of random assignment to respond to the SSP financial work incentive by making the jump to full-time work, compared with people who were not working at all. Furthermore, among those already working full time, SSP should have provided a powerful incentive to remain in full-time employment.

Table 4.2 shows the effects of SSP by employment status at the time of random assignment. Four groups are shown: those who were neither working nor looking for work at the time of random assignment (58 per cent of the sample), those who were not working but who were looking for work (23 per cent), those who were working part time (13 per cent), and those who were working full time (6 per cent).

As expected, people who were already working full time were the most likely to take up the supplement offer. Many were eligible for the supplement without changing their jobs, and more than three quarters of them received the supplement. By contrast, only about half of those working part time at random assignment were able to make the jump to full-time work, and fewer than one quarter of those who were not working and not looking for work ever received the supplement.[1]

Although the pattern of supplement take-up by work status at random assignment seems logical, differences in the program's effects on IA receipt and full-time employment are more complicated. During Quarter 5 the program's effects on IA receipt mirrored supplement take-up. In particular, the program reduced IA receipt the most for those working part time or full time at random assignment, and it reduced IA receipt more than twice as much for those working full time at random assignment (22.6 percentage points) than for people who were not looking for work at random assignment (9.8 percentage points).

The program's effects on IA receipt at the end of follow-up look much different. Recall that, overall, the program had ceased to significantly reduce IA receipt at the end of follow-up. Nevertheless, it continued to significantly reduce IA receipt for those who had been least likely to work — by 8.9 percentage points among those who were not working but who were looking for work at the time of random assignment, and by 3.3 percentage points for people who were not working or looking for work at the time of random assignment.

Differences in the program's effect on IA receipt may primarily reflect the fact that control group catch-up was much greater for more job-ready groups than for less job-ready groups. People in the program group who were already working full time at random assignment were still receiving income assistance, even though their earnings probably made them eligible for relatively small amounts. In the absence of the supplement offer, they would have been likely to leave welfare very quickly. This hypothesis is supported by the relatively low rate of IA receipt for their control group counterparts (28.9 per cent in the last quarter of follow-up). As a result, there was little room for the program to continue to reduce IA receipt for this group.

[1]This does not contradict the finding in Chapter 3 that the impact of SSP on full-time employment came primarily by encouraging people who would not have worked to work full time. Although part-time workers were more likely to move to full-time work, there were far fewer part-time workers than non-workers in the sample.

Table 4.2: SSP Impacts on Selected Outcomes, by Work Status at Random Assignment

Outcome and Subgroup	Program Group	Control Group	Difference (Impact)	Standard Error	
Ever received a supplement (%)					†††
Employed full time	75.2	n/a	75.2	n/a	
Employed part time	53.1	n/a	53.1	n/a	
Not employed, looking for work	43.0	n/a	43.0	n/a	
Neither employed nor looking for work	24.7	n/a	24.7	n/a	
IA receipt (%)					
Quarter 5					†††
Employed full time	31.3	53.8	-22.6 ***	(5.2)	
Employed part time	52.6	76.8	-24.2 ***	(3.5)	
Not employed, looking for work	66.1	80.9	-14.8 ***	(2.5)	
Neither employed nor looking for work	78.4	88.2	-9.8 ***	(1.3)	
Quarter 18					††
Employed full time	31.0	28.9	2.1	(5.0)	
Employed part time	38.0	41.8	-3.8	(3.8)	
Not employed, looking for work	45.5	54.4	-8.9 ***	(2.9)	
Neither employed nor looking for work	62.0	65.3	-3.3 *	(1.8)	
Full-time employment (%)					
Quarter 5					†††
Employed full time	68.1	57.2	10.8 **	(5.2)	
Employed part time	48.4	25.8	22.5 ***	(3.7)	
Not employed, looking for work	31.8	15.1	16.8 ***	(2.4)	
Neither employed nor looking for work	20.8	7.3	13.5 ***	(1.2)	
Quarter 18					n.s.
Employed full time	52.8	54.9	-2.2	(5.5)	
Employed part time	41.0	37.8	3.1	(3.8)	
Not employed, looking for work	30.1	29.4	0.7	(2.7)	
Neither employed nor looking for work	21.7	19.3	2.4 *	(1.5)	
Cumulative income ($)					††
Employed full time	73,620	69,092	4,528	(3,818)	
Employed part time	70,295	60,884	9,410 ***	(3,360)	
Not employed, looking for work	59,329	50,895	8,433 ***	(1,635)	
Neither employed nor looking for work	53,155	48,106	5,048 ***	(837)	
Sample size					
Employed full time	145	166			
Employed part time	324	307			
Not employed, looking for work	533	556			
Neither employed nor looking for work	1,443	1,355			

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and SSP's Program Management Information System.

Notes: The subgroups are defined according to characteristics at random assignment.

Cumulative income is total earnings, income assistance, and SSP payments received in months 1–54.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

F-tests were applied to differences among subgroups in estimated impacts. Statistical significance levels are indicated as: † = 10 per cent; †† = 5 per cent; ††† = 1 per cent. The abbreviation "n.s." indicates that the variation in impacts among the subgroups is not statistically significant.

Sample sizes may vary for individual items because of missing values.

The pattern of increased full-time employment across the four groups is much different from the patterns for IA receipt. In particular, the program's effect on full-time employment in Quarter 5 was largest for those working part time at random assignment. Moreover, SSP's effect on full-time employment was smallest for people who were working full time at random assignment, even though supplement take-up and the effect on IA receipt in Quarter 5 were largest for this group.

The reason for these differences is instructive. Consider a time soon after random assignment. It is likely that nearly everyone who was working full time at random assignment continued to work full time for at least a short period of time after random assignment. For example, Michalopoulos et al. (2000) showed that about 90 per cent of control group members who were working full time at random assignment worked full time in each of the next two months after random assignment. As a result, it was impossible for SSP to have increased full-time employment much in this subgroup even though the supplement offer caused many program group members in the subgroup to take up the supplement and leave income assistance. This phenomenon continued through Quarter 5, at which point 57.2 per cent of control group members who were working full time at random assignment were still working full time. In contrast, few control group members who were working part time made the jump to full-time work without the supplement offer. In Quarter 5 only about one fourth of the part-time subgroup was working full time, and the program nearly doubled full-time work for this group.

Despite the large effects on full-time employment for all four subgroups, SSP had only small effects on full-time employment at the end of the follow-up period, and differences across the four groups were not statistically significant. The reduction in the effects on full-time employment appear to be due both to control group catch-up — as reflected in the higher rates of full-time employment among control group members who were not working full time at random assignment — and to job loss — as reflected by the lower rates of full-time employment for those who were working full time or part time at random assignment.

Because SSP had its largest employment effects for people who were working part time at random assignment, and because supplement take-up was substantial for this group, SSP's effects on income were largest for people already working part time ($9,410 per person). In contrast, the program's effect on income was much smaller for people at the two extremes in baseline work status, those who were already working full time at random assignment and those who were not looking for work at random assignment. These are the groups with the smallest impacts on full-time employment (and hence relatively small effects on earnings), and those who were not looking for work were the group with the lowest take-up rate (and hence relatively low amounts of SSP supplement payments).

Number of Children

Whereas IA payments are larger for families with more children, SSP supplement payments depended only on a parent's earnings, not the composition of her family. As a result, SSP provided a relatively more generous work incentive to families with one child than to families with two children, and a relatively more generous work incentive to families with two children than to families with three children. All else equal, the program's effects should consequently be larger for small families than for larger families. Perhaps reinforcing this expectation is the notion that parents with many children face greater barriers to work that might prohibit them from responding to the earnings supplement.

Table 4.3 shows the impacts of SSP on IA receipt, full-time employment, and income, by the number of children in the family at the time of random assignment — families with one child, families with two children, and families with three or more children. In accordance with expectations, more families with one child took up the supplement than families with two children, and more families with two children took up the supplement than families with three or more children. However, these differences were fairly small, with about 38 per cent of the smallest families taking up the supplement offer, compared with about 29 per cent of the largest families.

Table 4.3: SSP Impacts on Selected Outcomes, by Number of Children at Random Assignment

Outcome and Subgroup	Program Group	Control Group	Difference (Impact)	Standard Error	
Ever received a supplement (%)					†
One child	38.2	n/a	38.2	n/a	
Two children	34.8	n/a	34.8	n/a	
Three or more children	29.3	n/a	29.3	n/a	
IA receipt (%)					
Quarter 5					††
One child	67.2	82.0	-14.8 ***	(1.7)	
Two children	70.2	82.9	-12.7 ***	(2.0)	
Three or more children	75.5	83.3	-7.8 ***	(2.8)	
Quarter 18					n.s.
One child	49.9	54.4	-4.5 **	(2.0)	
Two children	55.6	57.7	-2.1	(2.4)	
Three or more children	59.3	63.5	-4.2	(3.5)	
Full-time employment (%)					
Quarter 5					n.s.
One child	32.2	17.0	15.2 ***	(1.7)	
Two children	28.2	14.2	14.0 ***	(1.9)	
Three or more children	25.9	10.1	15.8 ***	(2.7)	
Quarter 18					n.s.
One child	30.1	29.7	0.4	(1.8)	
Two children	28.2	24.7	3.5 *	(2.1)	
Three or more children	20.4	21.5	-1.0	(3.0)	
Cumulative income ($)					n.s.
One child	56,543	50,174	6,369 ***	(1,051)	
Two children	58,896	52,817	6,079 ***	(1,543)	
Three or more children	61,747	55,883	5,863 ***	(2,115)	
Sample size					
One child	1,192	1,188			
Two children	872	805			
Three or more children	362	367			

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and SSP's Program Management Information System.

Notes: The subgroups are defined according to characteristics at random assignment.

Cumulative income is total earnings, income assistance, and SSP payments received in months 1–54.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

F-tests were applied to differences among subgroups in estimated impacts. Statistical significance levels are indicated as: † = 10 per cent; †† = 5 per cent; ††† = 1 per cent. The abbreviation "n.s." indicates that the variation in impacts among the subgroups is not statistically significant.

Sample sizes may vary for individual items because of missing values. Sample sizes may vary for individual items because of missing values.

The program's effect on IA receipt in Quarter 5 was also largest for the smallest families (14.8 percentage points, compared with 7.8 percentage points for the largest families). Moreover, at the end of the follow-up period (Quarter 18), the program's effect on IA receipt was statistically significant only for families with one child, although impacts on IA receipt were fairly small for all three subgroups at the end of the follow-up period, and differences across the subgroups were not statistically significant.

Although the pattern of supplement takeup and impacts on IA receipt accorded with expectations, the program's effect on full-time employment did not. In Quarter 5 the program increased full-time employment by at least 14 percentage points and no more than 16 percentage points for all three family sizes. It is not clear why the effect on full-time employment was so similar across the groups when the effect on IA receipt was not. The combination of relatively large effects on full-time employment but relatively small effects on IA receipt for the largest families suggests that a number of them found full-time work because of the supplement offer but either remained on or returned to IA while continuing to work full time.

Because large and small families were about equally likely to take up the supplement, and because the program had similar effects on full-time employment for large and small families, its effects on income were also similar for the three groups. Over the entire follow-up period, SSP provided nearly $5,900 more income to the average family with three or more children and nearly $6,400 more income to the average family with one child.

OTHER SUBGROUPS

Many other interesting subgroups could be defined. This section defines a number of subgroups for which there is good reason to believe that the impacts of SSP might vary. The subgroups fall roughly into four major categories: family structure, family background, job-readiness, and barriers to employment. This section describes the subgroups in each category and considers how impacts might vary among them. The actual impacts by subgroup are discussed in the next section.

Family Structure

Age of Sample Member

One of the purposes of SSP was to induce single parents to acquire work experience so that their skills and hence their earnings capacity would increase. The economic theory of human capital suggests that the decision to invest time in skill-building activities depends on a person's age. Specifically, one of the major motivations for acquiring new skills is the expected increase in lifetime earnings. Human capital theory predicts, other things held constant, that an older person will be less inclined to invest in human capital than a younger person, because the period over which to reap returns on the increased investment will be shorter.[2] If this theory is applied to SSP, younger people might have been more inclined than older people to work full time because of the SSP supplement offer. Thus, the impact of SSP

[2]This consideration will be less relevant if sample members tended to base decisions primarily on the basis of current income. In that case, differences in impacts between older and younger people may reflect mainly differences in current job opportunities.

may have declined with age. For purposes of examining variation in impacts with age, three subgroups are defined according to age at random assignment: 19–29 years of age (43 per cent of the sample), 30–39 years of age (39 per cent of the sample), and 40 years of age or older (18 per cent of the sample).

Age of Youngest Child

In contemplating whether or not to take up the SSP offer, sample members had to evaluate the costs and benefits of going to work. Single parents with very young children might have been less willing to work and to place their children in child care than those whose children were older. However, in recent years, child care has become more accepted, and mothers of young children have become more likely to work and use child care (Robins, 1991; Michalopoulos & Robins, forthcoming). Nonetheless, it is of interest to determine whether the impact of SSP varied with the age of the youngest child.

Categories were created that distinguish three subgroups based on the age of the youngest child at random assignment. The three categories are younger than 6 years of age (55 per cent of the sample), 6–11 years of age (26 per cent), and 12 years of age or older (19 per cent).

Family Background

Ancestry

There are numerous differences between ethnic groups in labour market outcomes. Some of the reasons for these differences are cultural, and some reflect the economic circumstances facing a particular ethnic group. In this report, the only ethnic minority with a large enough sample to be analyzed separately is people of First Nations ancestry in British Columbia. For purposes of analysis, impacts for First Nations people in British Columbia are compared with impacts for all other sample members in British Columbia.

Studies have shown that people of First Nations ancestry have lower wages and fewer job opportunities than other ethnic groups in Canada, perhaps because of discrimination or because of differences in characteristics that are correlated with wages and employment (George & Kuhn, 1994). As a result, people of First Nations ancestry who attempted to find a full-time job in response to the SSP offer might have been at a disadvantage in the labour market relative to other sample members. Thus, SSP might have had a smaller impact on full-time employment for people of First Nations ancestry than for other sample members. On the other hand, because the supplement paid more to low-wage workers than to high-wage workers for the same work effort, SSP might have had larger effects for sample members of First Nations ancestry.

Immigrant Status

Because of possible language and cultural differences, the impact of SSP might have varied with immigrant status. Since few sample members in New Brunswick were immigrants, the analysis was restricted to sample members in British Columbia. Two subgroups were defined according to whether or not the sample member reported being born in Canada. In British Columbia 23 per cent of sample members reported being born outside of Canada. If job opportunities are greater for native-born Canadians (perhaps because of

discrimination in the labour market against immigrants), it is possible that the impact of SSP for people born in Canada would have been greater than the impact for immigrants.

Family Circumstances While Growing Up

A number of studies have suggested that family circumstances during childhood affect the probability of ultimately achieving economic self-sufficiency as an adult. For example, Fronstin, Greenberg, and Robins (1997) found that earnings are lower among sample members who spent part of their childhood in a disrupted household.[3] Similarly, there is some evidence of the intergenerational transmission of welfare dependence (Antel, 1992; Duncan, Hill, & Hoffman, 1988; [references cited in] Levine & Zimmerman, 1996). These findings suggest that the likelihood of taking up the SSP supplement might have varied with whether or not the sample member grew up in a single-parent (or foster-parent) household or a household receiving welfare. The impact of SSP might also have varied with these circumstances. Two subgroups were defined on the basis of whether or not both parents of the sample member were present in the home while she was growing up (60 per cent of the sample had lived with both parents) and whether or not the family received welfare payments while she was growing up (25 per cent grew up in families receiving welfare).[4] On the basis of the prior research, the impact of SSP was expected to be lower for sample members who grew up in a disrupted household or in a household that received welfare payments.

Job-Readiness

Education and Training

There is substantial evidence that lack of education and training significantly inhibits a person's ability to find a job and leads to lower earnings levels (Levy & Murnane, 1992). As a result, sample members with lower levels of education and training might have had fewer job opportunities and faced other disadvantages in the labour market while attempting to respond to the SSP offer. To analyze differences in impacts by education and training, two sets of subgroups were defined. For the first set, a comparison was made between sample members with and without a high school diploma at the time of random assignment (53 per cent of the sample lacked a high school diploma). For the second set, a comparison was made between sample members who were and were not enrolled in education or training at the time of random assignment (14 per cent were enrolled).

Welfare History

A number of studies have shown that the rate of leaving welfare declines with time spent on welfare (see, for example, Bane & Ellwood, 1983; Barrett & Cragg, 1998; Sandefur, 1997). This "negative duration dependence" suggests that a small group of welfare recipients are likely to stay on welfare for a very long period of time. These people may have been less likely to take up the SSP supplement, and the impact of SSP might have been smaller for this group, for a variety of reasons. First, such people tend to be severely disadvantaged and lack

[3] For a summary of studies prior to 1991, see Amato & Keith, 1991. A "disrupted household" is one in which a parental divorce or separation occurred or a parent died.

[4] The precise questions on the baseline survey were as follows. For growing up in a single-parent household, "Up until you were 16 years old, were you living with both your mother and father?" For welfare receipt while growing up, "Up until you were 16 years old, did anyone in your household ever receive social assistance or welfare aid?"

the skills to qualify for most jobs. Second, because they have been on welfare for so long, they may be unfamiliar with what is required to undertake a job search. Third, they may be so "entrenched" in welfare that they do not view work as a realistic alternative. To examine the possibility that the impact of SSP varies with time spent on welfare, three subgroups were defined: those who had been on income assistance for 10 to 23 of the last 36 months before random assignment (24 per cent of the sample),[5] for 24 to 35 of the last 36 months (34 per cent), and for all of the last 36 months (42 per cent). Because the ability to find full-time employment is likely to vary inversely with the length of time on welfare, the impacts of SSP were expected to be largest for the first group and smallest for the last group.

Level of Disadvantage

Education and training levels, employment history, and welfare history overall play important roles in determining whether a person is capable of becoming economically self-sufficient. People with high levels of education and considerable work experience may be more likely to succeed in the future than those with low levels of education and little work experience. To examine the interaction among various job-readiness characteristics, three subgroups were defined. Those considered "most disadvantaged" are people who met the following three criteria: they had not worked in the year prior to random assignment, they did not have a high school diploma (or equivalent) at the time of random assignment, and they had been on welfare for at least two out of the three years prior to random assignment. Those considered "moderately disadvantaged" met one or two of these criteria. Those considered "least disadvantaged" did not meet any of these three criteria.

Barriers to Work

Availability of Child Care

A number of studies have shown that lack of adequate child care is a significant barrier to employment (Kimmel, 1998; Hofferth, Brayfield, Deich, & Holcolmb, 1991). To determine the importance of child care in responding to the SSP supplement offer, three groups were distinguished on the basis of responses to a question in the baseline survey about the adequacy of child care:[6] those who thought they could find trustworthy care if they got a job (65 per cent of the sample), those who did not think they could find trustworthy care (17 per cent), and those who would not need child care if they were to find a job (18 per cent). The impacts of SSP are expected to be larger for those without child care problems.

[5]One condition used to select the sample for the SSP study was receipt of income assistance in the month of selection and in at least 11 of the 12 previous months. However, because of voided IA cheques, three sample members are recorded as having received income assistance in only 10 of the 12 months preceding sample selection.

[6]Sample members were asked whether they agreed strongly, agreed, disagreed, or disagreed strongly with the statement "If I got a job, I could find someone I trust to take care of my children." Those who answered "agree strongly" or "agree" were included in one subgroup; those who answered "disagree" or "disagree strongly" were included in another subgroup; those who said that no care would be required for any children were included in a third subgroup.

Work Limitations

In order to take up the supplement, sample members not only had to want to work full time, but also had to be capable of working full time. Many people suffer from physical or mental impairments that either prohibit work or limit the amount and kind of work they can do. Other people are prevented from working full time by lack of child care or other constraints. On the basis of responses to questions in the baseline survey, six sets of subgroups were defined, characterized by the presence or absence of certain kinds of work limitations. In the first set, a distinction was made between those who reported physical conditions that limited their activity at home, school, work, or leisure (25 per cent of the report sample) and all others (75 per cent).[7] In the second set, a distinction was made between those who reported an emotional condition that limited their activity (8 per cent of the sample) and all others (92 per cent). In the third set, sample members were classified as being at risk of clinical depression according to their answers to an abridged version of the Center for Epidemiological Studies–Depression (CES-D) scale.[8] On the basis of the abridged set of questions, 47 per cent of the sample was identified as being at risk of clinical depression. In the fourth set, a distinction was made between non-workers who could not work in the four weeks preceding the baseline survey because of illness or disability (14 per cent), non-workers for whom illness or disability was not a reason for not working (67 per cent), and workers (those employed at random assignment, 19 per cent of the sample). In the fifth set, a distinction was made between non-workers who could not work in the four weeks preceding the baseline survey because of a lack of adequate child care (15 per cent), non-workers for whom lack of adequate child care was not a reason for not working (66 per cent of the report sample), and workers (19 per cent). In the sixth set, a distinction is made between non-workers who could not work in the four weeks preceding the baseline survey because of personal or family responsibilities (21 per cent), non-workers for whom personal or family responsibilities were not reasons for not working (57 per cent), and workers (19 per cent).[9] Generally, because finding a job is less likely for those facing barriers to employment, the impact of SSP is expected to be lower for such people.

[7]Sample members are considered to have an activity-limiting physical condition if they answered yes to any of the following: "Do you have a long-term physical condition or health problem that limits you in the kind or amount of activity you can do . . . (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?" Those who were not working generally did not answer the "at work" part of the question, so their classifications are based on answers to the other parts. The conditions reported were not necessarily permanent. Of the sample members who reported an activity-limiting physical condition at the baseline interview, one third indicated no such problems at the 18-month follow-up interview.

[8]The CES-D scale is a 20-item questionnaire designed to measure the prevalence of major depression in the general population (Radloff, 1977). Respondents are asked how many days per week they felt a particular emotion. Less than one day is assigned 0 points, 1–2 days is assigned 1 point, 3–4 days is assigned 2 points, and 5–7 days is assigned 3 points. Radloff identified a threshold score of 16 (out of a possible 60); a score above 16 might be indicative of clinical depression. The SSP survey used a four-question abridged version of the CES-D scale. A score of 3 or more on the abridged set of questions was used to indicate risk of clinical depression. Validation studies of the CES-D scale have shown very imperfect correspondence between the scale and diagnoses based on psychiatric interviews; researchers have expressed concerns that the CES-D scale may reflect symptoms not only of major depression but also of anxiety, demoralization, or physical ill health (Tsuang, Tohen, & Zahner, 1995, pp. 9, 234–36).

[9]Sample members who were not working at random assignment were asked at the baseline interview, "Was there any reason you could not take a job in the last four weeks?" Those who said yes were then asked about specific reasons why they could not take a job, including their own illness or disability, lack of adequate child care, and personal or family responsibilities. They could say yes to more than one reason.

Self-Expressed Needs

On the baseline survey, sample members were asked, "At present, which of these best describes your greatest need: immediate full-time employment, immediate part-time employment, education or training, or something else?" Subgroups were defined according to their answers: full-time employment (29 per cent), part-time employment (10 per cent), education and training (48 per cent), or something else (14 per cent). The impact of SSP is expected to be greatest among those in need of full-time employment.

RESULTS FOR OTHER SUBGROUPS

The results for the subgroups described in the previous section are presented in tables 4.4, 4.5, and 4.6. Specifically, the tables provide estimated subgroup impacts of SSP on the average monthly full-time employment in quarters 5 and 18, the average monthly percentage receiving income assistance in quarters 5 and 18, and income from earnings, income assistance, and SSP supplement payments through Quarter 18. The tables show, for each subgroup, the sample size,[10] the proportion of the subgroup that took up the supplement offer; the average outcomes for control group members; the estimated impact of SSP; and the standard error of the estimated impact, in parentheses, with daggers or "n.s." indicating whether or not the difference in estimated impacts among subgroups is statistically significant.

Percentage of People Ever Receiving a Supplement

There were substantial differences between subgroups in the percentages that ever received a supplement. The greatest differences shown in Table 4.4 are for several barriers to work. As can be seen in the table, however, supplement receipt rates were similar for many subgroups, and none of the differences was as large as for the work status subgroups shown in Table 4.2.[11]

Subgroup Impacts on Full-Time Employment

Table 4.4 reports the estimated subgroup impacts on full-time employment in quarters 5 and 18. In Quarter 5, when the overall impact of SSP was sizable, there is remarkable consistency across the various sets of subgroups analyzed. In most cases, the variation in estimated impacts within a set of related subgroups is not statistically significant, although in many instances the variation is consistent with prior expectations. For example, there are no statistically significant differences in impact by family structure. The estimated impact tended to decline with the age of the sample member, as expected, but the variation is not statistically significant. The estimates also declined with age of the youngest child, somewhat unexpectedly, but again the variation is not statistically significant.

[10] The full report sample contains 4,852 people. The subgroup sample sizes do not always add up to 4,852 because any sample members answering "don't know" to a question that contributed to defining a set of subgroups are excluded from those subgroups.

[11] Supplement take-up rates are identical in tables 4.4, 4.5, and 4.6.

Table 4.4: SSP Impacts on Full-Time Employment, by Other Subgroups

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Average Monthly Full-Time Employment Rate (%)					
			Quarter 5			Quarter 18		
			Control Group	Difference (Impact)	Standard Error	Control Group	Difference (Impact)	Standard Error
Family structure								
Age of sample member at random assignment					n.s.			n.s.
19–29	2,093	38.2	14.7	15.9 ***	(1.7)	29.2	-0.8	(1.9)
30–39	1,900	35.1	15.6	15.1 ***	(1.9)	25.6	2.7	(2.0)
40 and over	851	30.1	14.2	11.6 ***	(2.6)	21.8	4.4	(2.9)
Age of youngest child at random assignment					n.s.			n.s.
Youngest child 0–5	2,631	35.8	13.5	16.0 ***	(1.5)	25.6	1.1	(1.7)
Youngest child 6–11	1,251	36.2	16.3	14.6 ***	(2.3)	29.6	0.2	(2.5)
Youngest child 12 and over	904	34.3	17.6	11.8 ***	(2.7)	26.2	2.8	(2.9)
Family background								
Ancestry (British Columbia only)					n.s.			n.s.
Reported First Nations ancestry	313	27.8	10.4	10.1 **	(4.0)	17.8	-2.8	(4.1)
All others	2,222	35.0	14.2	14.3 ***	(1.7)	27.4	-1.8	(1.8)
Immigrant status (British Columbia only)					n.s.			n.s.
Born in Canada	1,956	35.1	15.2	13.1 ***	(1.8)	26.6	-2.9	(1.9)
Not born in Canada	579	29.9	8.8	15.4 ***	(3.0)	25.8	1.0	(3.6)
Both parents were present in home while growing up [b]					n.s.			†
Yes	2,930	37.2	15.1	15.9 ***	(1.5)	27.8	3.2 **	(1.6)
No	1,916	33.2	14.8	13.2 ***	(1.8)	24.6	-1.4	(1.9)
Family received welfare while growing up [c]					n.s.			n.s.
Yes	1,178	31.8	14.5	12.2 ***	(2.3)	22.6	-1.3	(2.3)
No	3,542	36.9	15.0	15.7 ***	(1.3)	27.9	2.2	(1.5)
Job readiness at random assignment								
Had high school diploma or equivalent					n.s.			n.s.
Yes	2,262	43.5	20.6	16.0 ***	(1.8)	35.0	0.0	(1.9)
No	2,587	28.6	10.1	13.6 ***	(1.4)	19.2	2.4	(1.5)
Enrolled in education/training at random assignment					n.s.			n.s.
Yes	681	44.7	18.6	18.6 ***	(3.2)	41.5	-1.9	(3.6)
No	4,168	34.1	14.4	14.2 ***	(1.2)	24.1	1.9	(1.3)
IA receipt over past 3 years					n.s.			n.s.
10–23 months	1,168	40.8	17.8	15.8 ***	(2.4)	34.7	-2.3	(2.7)
24–35 months	1,626	39.5	16.7	15.0 ***	(2.0)	26.8	2.0	(2.2)
All 36 months	2,058	29.9	11.7	14.5 ***	(1.7)	21.2	3.9 **	(1.8)

(continued)

Table 4.4: SSP Impacts on Full-Time Employment, by Other Subgroups (Cont'd)

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Average Monthly Full-Time Employment Rate (%)					
			Quarter 5			Quarter 18		
			Control Group	Difference (Impact)	Standard Error	Control Group	Difference (Impact)	Standard Error
Level of disadvantage[d]					n.s.			n.s.
Most disadvantaged	638	28.4	7.6	12.6 ***	(2.6)	15.2	5.2 *	(2.9)
Moderately disadvantaged	3,689	33.8	13.3	15.3 ***	(1.3)	25.8	0.9	(1.4)
Least disadvantaged	525	58.0	34.6	15.6 ***	(4.1)	44.4	2.2	(4.2)
Barriers to employment								
If got a job, could find trustworthy child care[e]					†			n.s.
Yes	3,114	38.5	15.3	16.8 ***	(1.4)	28.4	2.4	(1.6)
No	826	24.9	9.7	13.0 ***	(2.5)	18.4	-2.0	(2.5)
No child care required	879	36.1	18.9	10.1 ***	(2.8)	28.2	1.4	(3.0)
Reported physical condition that limited activity[f]					n.s.			n.s.
Yes	1,223	27.8	9.7	11.9 ***	(2.0)	18.6	2.6	(2.2)
No	3,621	38.2	16.7	15.7 ***	(1.4)	29.2	1.0	(1.5)
Reported emotional condition that limited activity[g]					n.s.			n.s.
Yes	375	23.9	8.6	10.0 ***	(3.4)	12.5	7.2 *	(3.7)
No	4,464	36.7	15.4	15.4 ***	(1.2)	27.5	1.2	(1.3)
Depression[h]					n.s.			n.s.
At risk of depression	2,272	33.5	12.0	15.4 ***	(1.6)	24.3	0.5	(1.8)
Not at risk	2,580	37.5	17.5	14.3 ***	(1.6)	28.4	2.4	(1.8)
Couldn't work because of illness or disability[i]					††			n.s.
Yes	671	18.9	5.7	9.8 ***	(2.3)	13.2	-1.4	(2.5)
No	3,230	32.2	10.4	15.4 ***	(1.3)	24.0	2.6 *	(1.5)
Working, question skipped	942	59.9	36.9	17.6 ***	(3.1)	43.8	0.8	(3.1)
Couldn't work because of lack of good child care[i]					n.s.			n.s.
Yes	712	23.3	4.8	14.0 ***	(2.3)	15.3	3.6	(2.7)
No	3,189	31.3	10.6	14.4 ***	(1.3)	23.8	1.4	(1.5)
Working, question skipped	942	59.9	36.9	17.6 ***	(3.1)	43.8	0.8	(3.1)
Couldn't work because of personal or family responsibilities[i]					n.s.			n.s.
Yes	1,056	24.5	5.7	14.9 ***	(2.0)	15.2	2.2	(2.2)
No	2,845	32.0	10.9	14.3 ***	(1.4)	24.7	2.0	(1.6)
Working, question skipped	942	59.9	36.9	17.6 ***	(3.1)	43.8	0.8	(3.1)

(continued)

Table 4.4: SSP Impacts on Full-Time Employment, by Other Subgroups (Cont'd)

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Average Monthly Full-Time Employment Rate (%) — Quarter 5: Control Group	Quarter 5: Difference (Impact)	Quarter 5: Standard Error	Quarter 18: Control Group	Quarter 18: Difference (Impact)	Quarter 18: Standard Error
Self-expressed greatest need[j]					n.s.			n.s.
Full-time employment	1,404	49.8	23.2	17.9 ***	(2.4)	35.0	3.7	(2.5)
Part-time employment	461	27.6	11.7	13.1 ***	(3.4)	20.3	0.9	(3.7)
Education or training	2,303	31.2	11.0	13.9 ***	(1.5)	25.6	-0.7	(1.8)
Something else/Don't know	677	26.7	13.2	13.3 ***	(3.0)	16.3	4.3	(2.9)

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and SSP's Program Management Information System.

Notes: The subgroups are defined according to characteristics at random assignment. Persons answering "don't know" to a question that contributed to defining a subgroup are excluded from the analysis of that subgroup.

Average monthly full-time employment rate is the average of the percentages employed full-time in months 13–15 for Quarter 5 and 52–54 for Quarter 18.

"Full-time employment" is defined as working 30 or more hours per week in at least one week during the month.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

F-tests were applied to differences among subgroups in estimated impacts. Statistical significance levels are indicated as: † = 10 per cent; †† = 5 per cent; ††† = 1 per cent. The abbreviation "n.s." indicates that the variation in impacts among the subgroups is not statistically significant.

Rounding may cause slight discrepancies in sums and differences.

[a] Percentage who ever received a supplement payment by Quarter 18.

[b] The precise question on the baseline survey was "Up until you were 16 years old, were you living with both your mother and father?"

[c] The precise question on the baseline survey was "Up until you were 16 years old, did anyone in your household ever receive welfare or welfare aid?"

[d] Level of disadvantage was calculated on the basis of three criteria: hadn't worked in year prior to random assignment, no high school diploma or equivalent, and more than 24 months of IA receipt in the three years prior to random assignment. Those who were most disadvantaged met all three of these criteria, moderately disadvantaged sample members met one or two, and least disadvantaged sample members met none of these criteria.

[e] Sample members were asked at the baseline interview whether they agreed strongly, agreed, disagreed, or disagreed strongly with "If I got a job, I could find someone I trust to take care of my children." The "yes" subgroup includes sample members who answered "agree strongly" or "agree." The "no" group includes sample members who answered "disagree" or "disagree strongly." Sample members were also allowed to indicate that no care would be required.

[f] The "yes" subgroup includes sample members who indicated having a long-term physical condition or health problem that limited the kind or amount of activity they could do at any of the following: at home, at school, at work, or in other activities such as travel, sports, or leisure.

[g] The "yes" subgroup includes sample members who indicated having an emotional condition that limited the kind or amount of activity they could do at any of the following: at home, at school, at work, or in other activities such as travel, sports, or leisure.

[h] Sample members were considered to be at risk of depression if they scored 3 or more (out of a possible total score of 12) on a shortened version of the CES-D (Center for Epidemiologic Studies–Depression) scale.

[i] Sample members who were not working at random assignment were asked at the baseline interview, "Was there any reason you could not take a job in the last four weeks?" Those who said yes were then asked about specific reasons why they could not take a job, including own illness or disability, lack of child care, and personal or family responsibility. Sample members were allowed to say yes to more than one reason.

[j] The precise question on the baseline survey was "At present, which of these best describes your greatest need?" Sample members were allowed to choose among immediate full-time employment, immediate part-time employment, education or training, or something else.

Impacts also did not vary significantly with measures of family background. People of First Nations ancestry in British Columbia had a smaller estimated impact than other sample members in that province, as expected, but the difference is not statistically significant. The impact was surprisingly somewhat larger for people not born in Canada than for native Canadians, although again the difference is not statistically significant. The estimated impact was slightly larger for sample members who grew up in two-parent households as opposed to one-parent or foster households, as expected, but the difference is very small and not statistically significant. Similarly, the estimated impact was larger for sample members who grew up in households that did not receive welfare payments, as expected, but the difference is slight and not statistically significant.

Impacts on full-time employment varied significantly with several measures of job-readiness. As expected, the impact was higher for sample members with a high school diploma, but the difference is not statistically significant. The estimated impact on full-time employment was also higher for people enrolled in education or training program at random assignment, but again not significantly so.

Supplement receipt rates were somewhat lower for people who had received income assistance throughout the three years before random assignment, but the impact on full-time employment was virtually identical for the three subgroups in this set. These results may have some relevance to the sample selection procedure used in SSP. If SSP became a large-scale, ongoing program with the same eligibility rules, single parents would be offered the supplement just after their first year of IA receipt. Because SSP's estimated impacts did not vary much with the extent of prior IA receipt, the impacts of an ongoing program on full-time employment might be similar to those observed in this study, despite the fact that most sample members in the study had received income assistance for considerably more than a year when they were offered the supplement.

Impacts were slightly lower for the most disadvantaged, but they were not significantly different from the impacts for the other two groups of disadvantaged people. However, impacts were significantly lower for low-skilled persons, by more than seven percentage points.

Estimated impacts varied significantly with the presence or absence of two barriers to employment. Lack of trustworthy child care is one potential barrier to employment. The impact of SSP was greater among sample members who, in response to a baseline survey question, said they could find trustworthy care if they were to become employed, compared with those who said they could not find trustworthy care (16.8 percentage points versus 13.0 percentage points). Of course, it is not known whether trustworthy care was less available to those who said they could not find it or whether these people were generally more reluctant to put their children in care. Increased quality of care in the community, however, should lead to more trustworthy care and a greater impact of programs such as SSP.

Physical and emotional limitations reduced the impact of SSP. Among sample members who reported physical or emotional conditions that limited their activity at home, school, work, or leisure, impacts were lower than among sample members who did not report any such conditions. However, the impacts among those who reported physical limitations were still sizable and were not significantly different from the impacts among those without any limitations. There were no differences in impacts between persons at risk of depression and persons not at risk of depression.

The impact of SSP was significantly lower among sample members who were unable to work in the four weeks prior to random assignment because of an illness or a disability (9.8 percentage points, versus 15.4 percentage points for those without an illness or disability). The other major reasons for being unable to work — lack of child care and personal or family responsibilities — were not associated with significant differences in estimated impacts. Finally, although impacts were highest among those expressing a great need to work full time, they were not significantly higher than among other subgroups in this set.

By Quarter 18, the overall impact of SSP on full-time employment declined to nearly zero. Moreover, these declines occurred virtually every subgroup. Only two sets of subgroups exhibited statistically significant differences in impacts in Quarter 18 — New Brunswick sample members versus British Columbia sample members (see Table 4.1) and sample members who grew up in a two-parent home versus those who grew up with fewer than two parents in the home. For these two sets of subgroups, the differences in impacts among sample members were somewhat larger than they were in Quarter 5.

Subgroup Impacts on Receipt of Income Assistance

Impacts on the IA receipt rate are expected to be similar to but not exactly the same as impacts on the full-time employment rate. The strength of the similarity may vary between subgroups.

As is shown in Table 4.5, the estimated subgroup impacts on IA receipt in Quarter 5 generally mirrored the impacts on full-time employment, but there are several exceptions. Most notably, one out of the three job-readiness subgroups exhibited statistically significant differences in impacts on IA receipt, compared with none of the three for impacts on full-time employment. Generally, the pattern of impacts for IA receipt subgroups mirrored the pattern for full-time employment, but the differences were slightly larger for IA receipt. For example, while the difference in impacts on full-time employment between sample members with and without a high school diploma is 2.4 percentage points and not statistically significant, the difference is 4.5 percentage points for IA receipt and is statistically significant. Similarly, while the difference in the impact on full-time employment for the most disadvantaged and least disadvantaged is 3.0 percentage points and not statistically significant, the difference is 12.2 percentage points for IA receipt and is statistically significant. The results in Quarter 5 clearly indicate that people who were more job-ready at the time of random assignment were much more likely to respond to the SSP offer and leave income assistance.

Table 4.5: SSP Impacts on Percentage Receiving Income Assistance, by Other Subgroups

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Average Monthly Percentage Receiving IA (%) — Quarter 5 Control Group	Quarter 5 Difference (Impact)		Quarter 5 Standard Error	Quarter 18 Control Group	Quarter 18 Difference (Impact)		Quarter 18 Standard Error
Family structure										
Age of sample member at random assignment						n.s.				n.s.
19–29	2,093	38.2	81.3	-14.6	***	(1.8)	54.2	-3.6	*	(2.1)
30–39	1,900	35.1	83.5	-13.0	***	(1.8)	58.4	-2.9		(2.2)
40 and over	851	30.1	83.9	-9.4	***	(2.6)	61.3	-5.7	*	(3.3)
Age of youngest child at random assignment						n.s.				n.s.
Youngest child 0–5	2,631	35.8	82.0	-12.3	***	(1.6)	57.3	-2.9		(1.9)
Youngest child 6–11	1,251	36.2	83.6	-16.6	***	(2.3)	56.0	-2.9		(2.7)
Youngest child 12 and over	904	34.3	82.4	-10.0	***	(2.6)	57.2	-6.4	**	(3.2)
Family background										
Ancestry (British Columbia only)						n.s.				n.s.
Reported First Nations ancestry	313	27.8	86.6	-6.7	*	(4.0)	66.0	-6.0		(5.3)
All others	2,222	35.0	85.3	-10.8	***	(1.6)	53.1	-0.4		(2.1)
Immigrant status (British Columbia only)						n.s.				n.s.
Born in Canada	1,956	35.1	85.1	-9.8	***	(1.7)	53.3	0.2		(2.2)
Not born in Canada	579	29.9	86.7	-12.1	***	(3.1)	58.6	-4.7		(4.0)
Both parents were present in home while growing up [b]						n.s.				n.s.
Yes	2,930	37.2	81.5	-13.6	***	(1.5)	54.9	-5.2	***	(1.8)
No	1,916	33.2	84.3	-12.3	***	(1.8)	60.3	-1.0		(2.2)
Family received welfare while growing up [c]						n.s.				n.s.
Yes	1,178	31.8	84.4	-12.7	***	(2.3)	62.6	-2.7		(2.8)
No	3,542	36.9	82.1	-13.5	***	(1.4)	55.1	-3.9	**	(1.6)
Job readiness at random assignment										
Had high school diploma or equivalent						†				n.s.
Yes	2,262	43.5	77.6	-15.4	***	(1.8)	47.1	-3.8	*	(2.0)
No	2,587	28.6	86.9	-10.9	***	(1.4)	65.6	-3.0	*	(1.8)
Enrolled in education/training at random assignment						n.s.				n.s.
Yes	681	44.7	77.9	-12.0	***	(3.2)	43.3	-5.6		(3.6)
No	4,168	34.1	83.4	-13.3	***	(1.2)	59.3	-3.2	**	(1.5)
IA receipt over past 3 years						n.s.				n.s.
10–23 months	1,168	40.8	74.9	-13.1	***	(2.5)	45.8	-3.1		(2.8)
24–35 months	1,626	39.5	80.9	-14.6	***	(2.1)	54.2	-3.1		(2.4)
All 36 months	2,058	29.9	88.8	-12.8	***	(1.6)	66.5	-5.6	***	(2.1)

(continued)

Table 4.5: SSP Impacts on Percentage Receiving Income Assistance, by Other Subgroups (Cont'd)

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Average Monthly Percentage Receiving IA (%)					
			Quarter 5			Quarter 18		
			Control Group	Difference (Impact)	Standard Error	Control Group	Difference (Impact)	Standard Error
Level of disadvantage[d]					††			n.s.
Most disadvantaged	638	28.4	88.5	-8.1 ***	(2.7)	66.6	-6.3 *	(3.7)
Moderately disadvantaged	3,689	33.8	83.4	-13.1 ***	(1.3)	58.4	-3.2 **	(1.6)
Least disadvantaged	525	58.0	70.6	-20.3 ***	(4.0)	36.8	-5.0	(4.0)
Barriers to employment								
If got a job, could find trustworthy child care[e]					n.s.			n.s.
Yes	3,114	38.5	80.9	-14.7 ***	(1.5)	55.4	-4.5 ***	(1.7)
No	826	24.9	91.1	-11.4 ***	(2.3)	65.1	1.9	(3.2)
No child care required	879	36.1	80.3	-9.3 ***	(2.7)	55.5	-5.3	(3.3)
Reported physical condition that limited activity[f]					n.s.			n.s.
Yes	1,223	27.8	87.8	-12.0 ***	(2.1)	66.4	-3.6	(2.6)
No	3,621	38.2	80.8	-13.4 ***	(1.4)	53.9	-3.4 **	(1.6)
Reported emotional condition that limited activity[g]					n.s.			n.s.
Yes	375	23.9	91.6	-9.7 ***	(3.3)	74.5	-2.4	(4.5)
No	4,464	36.7	82.0	-13.7 ***	(1.2)	55.8	-4.0 ***	(1.4)
Depression[h]					n.s.			n.s.
At risk of depression	2,272	33.5	85.6	-12.3 ***	(1.6)	59.7	-2.4	(2.0)
Not at risk	2,580	37.5	80.1	-13.9 ***	(1.7)	54.8	-4.7 **	(1.9)
Couldn't work because of illness or disability[i]					n.s.			n.s.
Yes	671	18.9	91.7	-8.9 ***	(2.5)	74.6	-1.0	(3.3)
No	3,230	32.2	84.9	-11.6 ***	(1.3)	59.6	-5.3 ***	(1.7)
Working, question skipped	942	59.9	68.7	-22.7 ***	(3.0)	37.3	-1.5	(3.0)
Couldn't work because of lack of good child care[i]					n.s.			n.s.
Yes	712	23.3	89.8	-8.7 ***	(2.5)	66.5	-0.5	(3.4)
No	3,189	31.3	85.2	-11.6 ***	(1.3)	61.1	-5.3 ***	(1.7)
Working, question skipped	942	59.9	68.7	-22.7 ***	(3.0)	37.3	-1.5	(3.0)
Couldn't work because of personal or family responsibilities[i]					n.s.			n.s.
Yes	1,056	24.5	89.4	-8.4 ***	(2.1)	66.2	-0.2	(2.8)
No	2,845	32.0	84.9	-12.2 ***	(1.4)	60.7	-6.3 ***	(1.8)
Working, question skipped	942	59.9	68.7	-22.7 ***	(3.0)	37.3	-1.5	(3.0)

(continued)

Table 4.5: SSP Impacts on Percentage Receiving Income Assistance, by Other Subgroups (Cont'd)

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Average Monthly Percentage Receiving IA (%) — Quarter 5: Control Group	Quarter 5: Difference (Impact)	Quarter 5: Standard Error	Quarter 18: Control Group	Quarter 18: Difference (Impact)	Quarter 18: Standard Error
Self-expressed greatest need[j]					n.s.			n.s.
Full-time employment	1,404	49.8	74.6	-16.9 ***	(2.4)	47.8	-6.6 **	(2.6)
Part-time employment	461	27.6	86.1	-13.8 ***	(3.6)	61.8	1.2	(4.4)
Education or training	2,303	31.2	86.1	-11.4 ***	(1.6)	59.5	-3.2	(2.0)
Something else/Don't know	677	26.7	85.5	-11.5 ***	(2.9)	64.9	-1.8	(3.6)

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and SSP's Program Management Information System.

Notes: The subgroups are defined according to characteristics at random assignment. Persons answering "don't know" to a question that contributed to defining a subgroup are excluded from the analysis of that subgroup.

Average monthly percentage receiving IA payments is average of the percentage receiving IA payments in each of months 13–15 for Quarter 5 and months 52–54 for Quarter 18.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

F-tests were applied to differences among subgroups in estimated impacts. Statistical significance levels are indicated as: † = 10 per cent; †† = 5 per cent; ††† = 1 per cent. The abbreviation "n.s." indicates that the variation in impacts among the subgroups is not statistically significant.

Rounding may cause slight discrepancies in sums and differences.

[a] Percentage who ever received a supplement payment by Quarter 18.

[b] The precise question on the baseline survey was "Up until you were 16 years old, were you living with both your mother and father?"

[c] The precise question on the baseline survey was "Up until you were 16 years old, did anyone in your household ever receive welfare or welfare aid?"

[d] Level of disadvantage was calculated on the basis of three criteria: hadn't worked in year prior to random assignment, no high school diploma or equivalent, and more than 24 months of IA receipt in the three years prior to random assignment. Those who were most disadvantaged met all three of these criteria, moderately disadvantaged sample members met one or two, and least disadvantaged sample members met none of these criteria.

[e] Sample members were asked at the baseline interview whether they agreed strongly, agreed, disagreed, or disagreed strongly with the statement "If I got a job, I could find someone I trust to take care of my children." The "yes" subgroup includes sample members who answered "agree strongly" or "agree." The "no" subgroup includes sample members who answered "disagree" or "disagree strongly." Sample members were also allowed to indicate that no care would be required.

[f] The "yes" subgroup includes sample members who indicated having a long-term physical condition or health problem that limited the kind or amount of activity they could do at any of the following: at home, at school, at work, or in other activities such as travel, sports, or leisure.

[g] The "yes" subgroup includes sample members who indicated having an emotional condition that limited the kind or amount of activity they could do at any of the following: at home, at school, at work, or in other activities such as travel, sports, or leisure.

[h] Sample members were considered to be at risk of depression if they scored 3 or more (out of a possible total score of 12) on a shortened version of the CES-D (Center for Epidemiologic Studies–Depression) scale.

[i] Sample members who were not working at random assignment were asked at the baseline interview, "Was there any reason you could not take a job in the last four weeks?" Those who said yes were then asked about specific reasons why they could not take a job, including own illness or disability, lack of child care, and personal or family responsibility. Sample members were allowed to say yes to more than one reason.

[j] The precise question on the baseline survey was "At present, which of these best describes your greatest need?" Sample members were allowed to choose among immediate full-time employment, immediate part-time employment, education or training, or something else.

Barriers to employment seemed to be a similar factor for impacts on IA receipt and impacts on full-time employment. Whereas trustworthy child care seemed to be an important factor for impacts on full-time employment, it was not as important for IA receipt. On the other hand, not being able to work because of personal or family responsibilities was not a major factor for other impacts on full-time employment or impacts on IA receipt. Not being able to work because of illness or disability was a significant factor for impacts on full-time employment but not for impacts on IA receipt.

Despite the large number of differences in subgroup impacts on IA receipt in Quarter 5 (five sets of subgroups exhibited statistically significant differences in impacts, including subgroups shown in tables 4.1 through 4.3), only two (province and baseline work status) exhibited a statistically significant difference in Quarter 18. Mirroring the differences in impacts on full-time employment, sample members in New Brunswick were more likely to remain off income assistance by Quarter 18 than sample members in British Columbia (6.5 percentage points versus 1.0 percentage points). As was indicated earlier, part of this difference may be due to the fact that it was more difficult to re-qualify for income assistance in New Brunswick than in British Columbia, once the SSP supplement ended. On the other hand, it is also possible that receipt of the SSP supplement for up to three years enabled sample members in New Brunswick to achieve greater economic self-sufficiency than sample members in British Columbia.

Subgroup Impacts on Income

Although the impacts of SSP on income tended to disappear by the end of the experiment, the early increases in employment led to an overall increase in income during the entire study period (54 months). The increase was $6,218 per sample member, which consisted of increased earnings of $3,118 plus net transfer payments of $3,180 ($6,501 in supplement payments less $3,321 in IA benefits given up). To determine whether the increased income was spread evenly across different subgroups or tended to be concentrated among certain types of people, impacts on income were generated for each of the subgroups.

Table 4.6 reports subgroup impacts on income. Impacts on income did not vary across most subgroups (although it is important to remember that the program's effects on income did vary significantly by work status at random assignment, as shown in Table 4.2). However, impacts were lower for persons who reported at random assignment that they could not work because of illness or disability. These lower impacts are due primarily to lower impacts on full-time employment. Impacts were also significantly higher for persons who said at random assignment that their greatest need was full-time employment. For this group, income increased by $10,658 versus increases of about $3,000 for those expressing other greatest needs. The higher impacts are partly due to higher impacts on full-time employment but also to a higher supplement receipt rate.

Table 4.6: SSP Impacts on Cumulative Income, by Other Subgroups

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Control Group ($)	Difference (Impact) ($)	Standard Error	
Family structure						
Age of sample member at random assignment						n.s.
19–29	2,026	38.2	50,708	6,939 ***	(1,049)	
30–39	1,810	35.1	54,982	4,228 ***	(1,511)	
40 and over	813	30.1	47,714	8,907 ***	(1,796)	
Age of youngest child at random assigment						n.s.
Youngest child 0–5	2,530	35.8	52,317	6,048 ***	(1,112)	
Youngest child 6–11	1,195	36.2	53,790	6,079 ***	(1,568)	
Youngest child 12 and over	868	34.3	48,378	6,830 ***	(1,891)	
Family background						
Ancestry (British Columbia only)						n.s.
Reported First Nations ancestry	298	27.8	58,350	1,080	(2,689)	
All others	2,101	35.0	60,147	6,069 ***	(1,407)	
Immigrant status (British Columbia only)						n.s.
Born in Canada	1,850	35.1	60,782	4,791 ***	(1,517)	
Not born in Canada	549	29.9	57,112	7,683 ***	(2,270)	
Both parents were present in home while growing up [b]						n.s.
Yes	2,815	37.2	51,248	7,207 ***	(1,009)	
No	1,836	33.2	52,759	4,787 ***	(1,355)	
Family received welfare while growing up [c]						n.s.
Yes	1,139	31.8	48,488	6,001 ***	(1,268)	
No	3,390	36.9	53,194	6,238 ***	(1,017)	
Job readiness at random assignment						
Has high school diploma or equivalent						n.s.
Yes	2,160	43.5	55,745	6,269 ***	(1,407)	
No	2,494	28.6	48,598	5,941 ***	(877)	
Enrolled in education/training at random assignment						n.s.
Yes	659	44.7	58,023	7,630 ***	(2,406)	
No	3,995	34.1	50,828	5,954 ***	(852)	
IA receipt over past 3 years						n.s.
10–23 months	1,114	40.8	52,562	7,717 ***	(1,667)	
24–35 months	1,556	39.5	53,368	6,037 ***	(1,639)	
All 36 months	1,987	29.9	50,252	5,678 ***	(1,043)	
Level of disadvantage [d]						n.s.
Most disadvantaged	618	28.4	48,046	5,648 ***	(1,731)	
Moderately disadvantaged	3,524	33.8	51,202	6,295 ***	(941)	
Least disadvantaged	515	58.0	60,744	6,839 **	(2,688)	
Barriers to employment						
If got a job, could find trustworthy child care [e]						n.s.
Yes	3,001	38.5	53,035	6,504 ***	(1,046)	
No	780	24.9	50,097	5,112 ***	(1,659)	
No child care required	847	36.1	49,272	6,464 ***	(1,912)	
Reported physical condition that limited activity [f]						n.s.
Yes	1,157	27.8	48,679	4,593 ***	(1,430)	
No	3,492	38.2	52,916	6,737 ***	(968)	
Reported emotional condition that limited activity [g]						n.s.
Yes	346	23.9	46,343	7,179 ***	(2,245)	
No	4,298	36.7	52,139	6,345 ***	(855)	

(continued)

Table 4.6: SSP Impacts on Cumulative Income, by Other Subgroups (Cont'd)

Subgroup	Sample Size	Percentage Receiving Supplement [a]	Control Group ($)	Difference (Impact) ($)	Standard Error	
Depression[h]						n.s.
At risk of depression	2,170	33.5	50,565	6,871 ***	(1,102)	
Not at risk	2,487	37.5	52,999	5,646 ***	(1,175)	
Couldn't work because of illness or disability[i]						†††
Yes	649	18.9	46,061	2,770	(1,707)	
No	3,086	32.2	49,523	6,645 ***	(839)	
Working, question skipped	913	59.9	63,790	7,544 ***	(2,579)	
Couldn't work because of lack of good child care[i]						n.s.
Yes	681	23.3	50,607	5,290 ***	(1,617)	
No	3,054	31.3	48,555	6,094 ***	(853)	
Working, question skipped	913	59.9	63,790	7,544 ***	(2,579)	
Couldn't work because of personal or family responsibilities[i]						n.s.
Yes	1,002	24.5	49,172	5,799 ***	(1,419)	
No	2,733	32.0	48,847	5,990 ***	(896)	
Working, question skipped	913	59.9	63,790	7,544 ***	(2,579)	
Self-expressed greatest need[j]						†††
Full-time employment	1,354	49.8	52,869	10,658 ***	(1,598)	
Part-time employment	436	27.6	48,912	5,398 **	(2,115)	
Education or training	2,216	31.2	52,219	4,533 ***	(1,171)	
Something else/Don't know	645	26.7	50,553	3,053	(2,117)	

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and SSP's Program Management Information System.

Notes: The subgroups are defined according to characteristics at random assignment. Persons answering "don't know" to a particular q that contributed to defining a subgroup are excluded from the analysis of that subgroup.

Cumulative income is total earnings, income assistance, and SSP payments received in months 1–54.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

F-tests were applied to differences among subgroups in estimated impacts. Statistical significance levels are indicated as: † = 10 per cent; †† = 5 per cent; ††† = 1 per cent. The abbreviation "n.s." indicates that the variation in impacts among the subgroups is not statistically significant.

Rounding may cause slight discrepancies in sums and differences.

[a] Percentage who ever received a supplement payment by Quarter 18.

[b] The precise question on the baseline survey was "Up until you were 16 years old, were you living with both your mother and fath

[c] The precise question on the baseline survey was "Up until you were 16 years old, did anyone in your household ever receive soci assistance or welfare aid?"

[d] Level of disadvantage was calculated on the basis of: hadn't worked in year prior to random assignment, no high school diploma equivalent, and more than 24 months of IA receipt in the three years prior to random assignment. Those who were most disadvanta met all three of these criteria, moderately disadvantaged sample members met one or two, and least disadvantaged sample members none of these criteria.

[e] Sample members were asked at the baseline interview whether they agreed strongly, agreed, disagreed, or disagreed strongly with statement, "If I got a job, I could find someone I trust to take care of my children." The "yes" subgroup includes sample members who answered "agree strongly" or "agree." The "no" subgroup includes sample members who answered "disagree" or "disagree strongly." Sample members were also allowed to indicate that no care would be required.

[f] The "yes" subgroup includes sample members who indicated having a long-term physical condition or health problem that limited t kind or amount of activity they could do at any of the following: at home, at school, at work, or in other activities such as sports, or leisure.

[g] The "yes" subgroup includes sample members who indicated having an emotional condition that limited the kind or amount of activ could do at any of the following: at home, at school, at work, or in other activities such as travel, sports, or leisure.

[h] Sample members were considered to be at risk of depression if they scored 3 or more (out of a possible total score of 12) on an version of the CES-D (Center for Epidemiologic Studies–Depression) scale.

[i] Sample members who were not working at random assignment were asked at the baseline interview, "Was there any reason you could take a job in the last four weeks?" Those who said yes were then asked about specific reasons why they could not take a job, in illness or disability, lack of adequate child care, and personal or family responsibility. Sample members were allowed to say more than one reason.

[j] The precise question on the baseline survey was "At present, which of these best describes your greatest need?" Sample members allowed to choose among immediate full-time employment, immediate part-time employment, education or training, or something els

CONCLUSIONS

In the early part of the study period (Quarter 5), SSP's estimated impacts on full-time employment and income assistance tended to be larger for subgroups that were more job-ready or faced fewer barriers to employment. Nevertheless, SSP's estimated impacts were sizable and statistically significant for almost every one of the many subgroups defined according to indicators of program environment, family structure, family background, job-readiness, and barriers to employment. It is clear that IA recipients facing a broad range of circumstances left welfare for full-time work in response to the SSP offer.

At the end of the study period (Quarter 18), the overall impact of SSP became much smaller and virtually all of the subgroup differences disappeared. Differences for only 2 of the 21 subgroup impacts on full-time employment and 2 of the 21 subgroup impacts on income assistance are statistically significant in Quarter 18.

Many more statistically significant subgroup differences occurred for impacts on income over the study period (Quarter 1 through Quarter 18). These differences are partly due to early differences in impacts on full-time employment and income assistance and partly to differences in rates of supplement receipt.

Chapter 5:
Effects of SSP on Family and Child Well-Being

A growing body of research is finding that children benefit from policies that simultaneously increase maternal employment and income.[1] Did SSP's combination of impacts on parents also benefit children, or did the children suffer because full-time employment reduced the time they spent with their parents and increased their parents' stress? Previous random assignment studies of welfare and work policies have focused on the programs' effects for elementary-school-age children, generating relatively little information about adolescents and very young children. In contrast, the Self-Sufficiency Project (SSP) collected detailed information on children of various ages to examine whether the benefits of policies that increase income extend to preschool and adolescent children. SSP also examined impacts on many children both during the period when parents were eligible for the supplement and after parents' eligibility for the supplement had ended, to determine whether the effects of SSP on children were sustained beyond the period of the intervention. This chapter first examines how SSP affected child well-being and then considers the program's effect on a number of other outcomes that might also affect children, such as child care choices, parenting behavior, and marital status.

SUMMARY OF FINDINGS

- SSP neither benefited nor harmed the youngest children. Among children who were 1 or 2 years of age at the time of random assignment, program group and control group children performed equally well on a standardized test of vocabulary skills. Likewise, parents in the two research groups reported similar levels of cognitive and academic achievement, grade repetition, behavior, and health for these children (who were 5.5 to 7.5 years of age by the end of the period studied in this report).[2] In short, SSP did not significantly affect very young children's functioning and behaviour. Considering how young these children were at the start of the program, it is reassuring that the increases in full-time maternal employment did not result in negative effects for them.

- SSP improved cognitive and school achievement of children who were of preschool age when their parents entered the study. For children who were 3 or 4 years of age at the time of random assignment, program group children had better math test scores than did control group children. Parents in the program group also gave their children higher ratings on school performance than did parents in the control group, even after the parents could no longer receive the supplement. This finding suggests that the benefits that children experienced when household income was high set the children on a trajectory that was sustained after the program stopped having effects on family income.

[1] See, for example, Huston et al., 2001; Gennetian & Miller, 2000; Morris, Huston, Duncan, Crosby, & Bos, 2001.
[2] That is, they were at least 5.5 years of age but less than 7.5 years of age.

- For young adolescents, SSP had some negative effects on behaviour while parents were receiving the supplement. While the program was still having substantial effects on parents' employment, children in the program group who were 13, 14, or 15 years of age at the time of random assignment reported doing worse in school and being more likely to have committed minor acts of delinquency, in comparison with the reports of their control group counterparts. However, program group parents were no more likely than control group parents to report worse behaviour for their young adolescent children, and there were no negative effects on health for this group of children. In addition, no negative effects were found after parents were no longer eligible for the supplement, although information about the outcomes on which young adolescents performed significantly worse at the earlier follow-up period were not collected at the final follow-up interview.

- SSP had few significant effects for older adolescents. SSP did not significantly affect school progress or involvement in school and work for older adolescents (who were 16 or 17 years of age at the time of random assignment). SSP did significantly increase the proportion of young adults who had a baby, but this increase in fertility was concentrated among children who were adults at the end of the follow-up period, and the increase in fertility did not appear to inhibit the ability of these older children to finish school or go to work.

- SSP increased use of non-maternal child care and significantly increased the instability of care for preschool-age children at the 36-month follow-up. During the period when SSP increased maternal employment, it also increased use of non-maternal child care for children who were infants, toddlers, and of preschool-age at the time of random assignment. Prior research has found that many low-income parents use unstable care when they go to work. However, the stability of child care arrangements for infants and toddlers in the SSP study was similar for program and control group children, although SSP increased unstable child care for preschool-age children

- SSP did not significantly affect the likelihood that parents married. Program group and control group parents were equally likely to have married during the follow-up period. While SSP increased marriage slightly in New Brunswick and decreased marriage slightly in British Columbia through much of the follow-up period, these differences had largely disappeared by the end of the follow-up period.

- SSP had little effect on whether families moved. The income that SSP gave working parents might have allowed them to move to better neighbourhoods, which might have affected children in these families. However, program group families were only slightly more likely to move than control group families, and SSP did not significantly affect housing or neighbourhood quality.

HOW MIGHT SSP AFFECT CHILDREN?

Unlike early childhood interventions, SSP was not directly targeted to children. SSP might nonetheless have produced favourable or unfavourable effects on child outcomes through important changes in parents' lives (for example, in their psychological well-being or parenting styles), in child care, or in family life and material resources.[3] Parents might have used the extra income from the SSP earnings supplement to make sure their children were well fed, to purchase higher quality or more reliable care, to buy educational materials such as books, or to move into better housing or neighbourhoods. Increased income might also have influenced children's development by reducing parental stress (McLoyd, 1990; McLoyd, Jayartne, Ceballo, & Borquez, 1994). Finally, having more income might have allowed some single parents to marry or might have provided them with financial independence that made marriage unnecessary, and parents' marriage might have had important effects on children's emotional and cognitive development.

Although income is usually thought to have only positive effects for children, the effects of maternal employment are not as clear-cut. The full-time work resulting from SSP might have forced mothers to spend less time with their children, perhaps placing children's development at risk. Any negative effects of mother's absence might have been muted if her child was placed in high-quality, age-appropriate, stable child care, but they might have been exacerbated if her child was placed in poor care (Lamb, 1998; Phillips, Voran, Kisker, Howes, & Whitebook, 1994; Zaslow, 1991).[4] Conversely, working may have made mothers better role models for their children or improved mothers' psychological outlook and self-esteem, both of which might have improved their children's behaviour or school performance. Working may also have expanded mothers' social networks, introducing them to potential partners and perhaps leading to marriage, and marriage may have had either positive or negative effects on children.

The effects of a parent's employment and income may vary with the child's age. For example, toddlers may be the most vulnerable to any negative effects of maternal employment, particularly if they are placed in poor-quality child care. Adolescents, in contrast, may have the most to gain if they are placed in enriching after-school programs. On the other hand, older children may be left unsupervised or may take on more responsibilities at home as mothers join the work force; either result could lead to unfavourable effects on their development, particularly on their social behaviour.

[3] See McGroder, Zaslow, Moore, & LeMenestre, 2000; Hamilton, 2000; Zaslow, Moore, Morrison, & Coiro, 1995; Zaslow, Oldham, Moore, & Magenheim, 1998; and Morris et al., 2001, for discussion of the pathways from parent's employment and income to children's outcomes.

[4] Research generally shows better cognitive and behavioural outcomes for children in formal child care settings (NICHD Early Child Care Research Network, 2000; Zaslow et al., 1998), but studies have also linked attendance in larger child care settings with increased incidence of ear infections, finding that detrimental effects on hearing loss and language development are more likely to occur in low-quality settings (Vernon-Feagans, Emanuel, & Blood, 1997). Maternal employment that leads to increased use of large formal settings for their young children may benefit children's cognitive and behavioural development but adversely affect their health. However, any negative effects of increased maternal employment may be attenuated by increased income stemming from SSP supplement payments.

SAMPLE AND MEASURES

SSP's effects on children were examined through the 36-month and 54-month follow-up interviews for four distinct age groups of children (see Figure 5.1):[5]

1. Infants and toddlers, who were 1 or 2 years of age at random assignment (4 or 5 years of age at the 36-month follow-up and 5.5 to 7.5 years of age at the 54-month follow-up);
2. Preschoolers, who were 3 or 4 years of age at random assignment (6 or 7 years of age at the 36-month follow-up and 7.5 to 9.5 years of age[6] at the 54-month follow-up);
3. Young adolescents, who were 13, 14, or 15 years of age at random assignment (16, 17, or 18 years of age at the 36-month follow-up and 17.5 to 20.5 years of age[7] at the 54-month follow-up); and
4. Older adolescents, who were 16 or 17 years of age at random assignment (19 or 20 years of age at the 36-month follow-up and 20.5 to 22.5 years of age[8] at the 54-month follow-up).

At the 18-month follow-up, limited information was collected on marital status, household composition, and housing mobility and quality, but no information on participants' children was collected. At the 36-month follow-up interview, extensive child data were collected, in addition to data on marital status, household composition, housing mobility and quality, parents' emotional well-being, and child care. The data on children included parental assessments, child surveys, and developmental tests conducted with the children in the first three age groups described above (no child-specific information was gathered for the older adolescents). At the 54-month follow-up interview, the same family information was gathered as at 36 months, less information was collected on children for all four age groups, and this information included only parental reports of children's behaviour and functioning.

CHILD OUTCOMES

Impacts for Children Who Were Infants and Toddlers at Random Assignment

The effects of maternal employment for the youngest children may be either favourable (for example, through role modeling) or unfavourable (for example, because the child spends less time with his or her mother). Furthermore, SSP's effects for very young children might also depend on the quality of child care they experienced. Research on the effects of poverty also finds that the negative effects of poverty are particularly pronounced for this age group of children (Duncan & Brooks-Gunn, 1997).

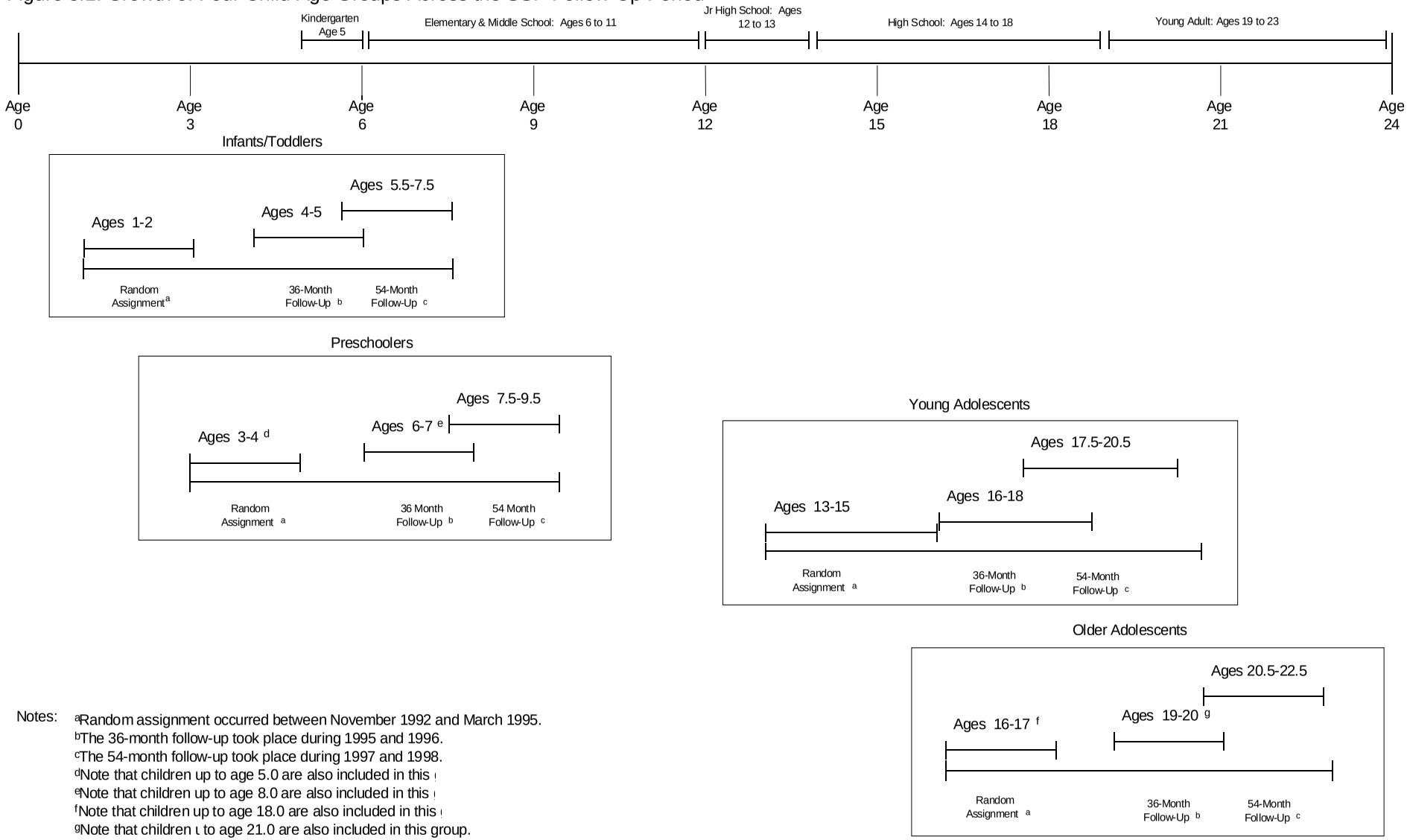
[5]Children who were 5 to 12 years of age at random assignment were not asked about in the 54-month survey and therefore are not discussed in this report. See Morris & Michalopoulos, 2000, for results for this group at 36 months after random assignment.

[6]That is, they were at least 7.5 years of age but less than 9.5 years of age.

[7]That is, they were at least 17.5 years of age but less than 20.5 years of age.

[8]That is, they were at least 20.5 years of age but less than 22.5 years of age.

Figure 5.1: Growth of Four Child Age Groups Across the SSP Follow-Up Period



Notes:
[a]Random assignment occurred between November 1992 and March 1995.
[b]The 36-month follow-up took place during 1995 and 1996.
[c]The 54-month follow-up took place during 1997 and 1998.
[d]Note that children up to age 5.0 are also included in this
[e]Note that children up to age 8.0 are also included in this
[f]Note that children up to age 18.0 are also included in this
[g]Note that children to age 21.0 are also included in this group.

Table 5.1 shows the effects of SSP on children who were 1 or 2 years of age at random assignment and 5.5 to 7.5 years old at the end of the follow-up period.[9] At the 36-month follow-up interview, these youngest children were administered the Peabody Picture Vocabulary Test–Revised (PPVT-R), a test of children's understanding of language. Children in the control group had an average score of about 91 on this test, which corresponds to a percentile score of 27, indicating that they scored higher than only 27 per cent of children in a national sample of children in the United States. Children in the program group had similar average scores, and SSP did not significantly affect this measure of cognitive functioning.

Table 5.1: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Infants/Toddlers at Random Assignment

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
PPVT-R score[b]	90.7	1.3	(1.4)	—	—	—
Average achievement[c]	—	—	—	3.9	0.1	(0.1)
Above average, any subject (%)	—	—	—	73.7	3.6	(2.6)
Below average, any subject (%)	—	—	—	11.5	-1.7	(1.8)
Any grade repeated (%)	—	—	—	2.5	-0.1	(0.9)
Ever in special education (%)	—	—	—	14.1	-1.6	(2.0)
Behaviour and emotional well-being						
Behaviour problems[d]	1.5	0.0	(0.0)	1.3	0.0	(0.0)
Positive social behaviour[d]	2.6	0.0	(0.0)	2.7	0.0	(0.0)
Health and safety						
Average health[e]	4.1	-0.1	(0.1)	4.1	0.0	(0.0)
Any long-term problems (%)	28.3	-1.4	(3.3)	19.2	1.6	(2.4)
Any injuries (%)	12.9	-3.1	(2.3)	11.1	-2.6	(1.8)
Sample size	396	765		605	1,159	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Standard errors were adjusted to account for shared variance between siblings.
Rounding may cause slight discrepancies in sums and differences.
Sample sizes may vary for individual items because of missing values.
[a]The sample size in this column is the sum of the program and control group sample sizes.
[b]The PPVT-R (Peabody Picture Vocabulary Test–Revised) is a test of children's understanding of words. Scores reported are standardized scores.
[c]Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").
[d]Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).
[e]Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

At the 54-month follow-up, children's achievement, grade repetition, and special education in school were assessed through parental reports. Parents in the control group rated children highly with regard to their school achievement: average scores were 3.9,[10] and

[9]Information was obtained for many more children in the 54-month interview than the 36-month interview. Thus, in tables 5.1 through 5.4, 36-month data were not available for all children for whom 54-month data were collected.

[10]Parental report measures are average scores of evaluations of how well their children were doing across three academic areas (math, reading, and writing) ranging from 1 ("not well at all") to 5 ("very well").

almost three quarters of parents rated their child as above average in at least one subject area. Not surprisingly, given the young age of this group of children, only 3 per cent of children had repeated any grade level, although 14 per cent had been in special education. Parents in the program group reported similar outcomes, and SSP did not significantly affect their children's academic functioning at the 54-month follow-up interview.

Table 5.1 also indicates that SSP did not significantly affect children's behaviour or health. With regard to children's behaviour and emotional well-being, parents reported on children's problem behaviour including hyperactivity, conduct problems, and internalizing behaviour (anxiety and depression), and on children's positive social behaviour. Scores on both scales ranged from 1 to 3. Parents rated children's general health, and average scores reported here (ranging from 1 to 5) are based on four items of children's health status. Finally, parents reported whether their child had any long-term health problems that limited their ability to participate in activities, and whether they had had any injuries in the last year.

Findings for this group of young children suggest that SSP did not significantly affect very young children's functioning and behaviour. Considering how young these children were at the start of the program, it is reassuring that the increases in full-time maternal employment did not result in negative effects for these children. Perhaps the increase in income that accompanied parents' full-time employment offset any negative effects that may have occurred because of the increase in full-time employment. Such a conclusion would be consistent with research that has found poverty to have the largest effects on these youngest children. Unfortunately, it is not easy to separate the effects of employment and income on children. Therefore, it is unclear whether the positive effects of income were offset by negative effects of employment or whether either of these parental economic outcomes had any effect on these youngest children.

Impacts for Children Who Were Preschoolers at Random Assignment

As was true for toddlers and infants, preschool-age children may benefit from or be harmed by maternal employment, and the benefit or harm of a program like SSP would depend on the quality of child care or other arrangements for supervision during off-school hours. However, recent evidence suggests that programs that increase employment and income benefit these children, particularly in their cognitive development (Morris et al., 2001). Table 5.2 presents the effects of SSP on children who were 3 or 4 years of age at the time of random assignment and therefore 7.5 to 9.5 years of age at the time of the 54-month interview.

Children in this age group took the PPVT-R test and a math skills test at the time of the 36-month follow-up interview. Children in the control group were functioning quite poorly on average, with scores on the PPVT-R corresponding to a percentile score of 27 and scores on the math test indicating that these children answered only 30 per cent of the items correctly. In the program group, however, SSP significantly improved math scores, although not PPVT-R scores.

Table 5.2: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Preschoolers at Random Assignment

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
PPVT-R score[b]	91.7	1.9	(1.6)	—	—	—
Math score[c]	0.3	0.1 **	(0.0)	—	—	—
Average achievement[d]	3.6	0.1 *	(0.1)	3.8	0.1	(0.1)
Above average, any subject (%)	70.9	3.9	(3.6)	73.7	5.0 **	(2.5)
Below average, any subject (%)	21.7	-6.0 *	(3.2)	21.8	-4.8 **	(2.4)
Any grade repeated (%)	5.8	0.7	(2.0)	6.9	0.1	(1.5)
Ever in special education (%)	—	—	—	22.3	-4.2 *	(2.4)
Behaviour and emotional well-being						
Behaviour problems[e]	1.4	0.0	(0.0)	1.3	0.0	(0.0)
School behaviour problems[f]	1.2	0.0	(0.0)	—	—	—
Positive social behaviour[e]	2.6	0.0	(0.0)	2.7	0.0	(0.0)
Health and safety						
Average health[g]	4.0	0.0	(0.1)	4.2	0.1 *	(0.0)
Any long-term problems (%)	33.7	-3.7	(3.4)	22.8	-2.1	(2.5)
Any injuries (%)	10.1	0.2	(2.2)	10.3	1.9	(1.9)
Sample size	374	761		560	1,137	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] The PPVT-R (Peabody Picture Vocabulary Test–Revised) is a test of children's understanding of words. Scores reported are standardized scores.

[c] The math score reflects the proportion of items answered correctly in a math skills test.

[d] Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[e] Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).

[f] Parents of children were asked how often in the past school year they were contacted by the school about their child's behaviour problems in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[g] Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Parental reports of children's academic functioning (shown in the remainder of the first panel of Table 5.2) indicated that parents of control group children thought their children were doing very well in school,[11] with almost three fourths of parents rating their children as above average in any subject. Few of these children had repeated a grade, although almost a quarter were in special education by the end of the follow-up period.

Consistent with the findings from the math test, parental reports rated children in the program group as performing better on average in school than children in the control group at the time of the 36-month interview, when parents were still eligible for the SSP earnings supplement. Moreover, program group parents were six percentage points less likely to say that their child was performing below average in any subject than were parents in the control

[11] As for the younger children, the outcomes are average scores across academic subjects.

group. These small impacts were sustained through the end of the follow-up period, with parents in the program group again rating their children higher with regard to school achievement and less likely to be in special education than parents in the control group. Given that the program and control groups largely had similar employment and similar amounts of income at the end of the follow-up period, these findings suggest that the benefits that children experienced during the period of supplement eligibility set the children on a trajectory that was sustained.

The middle panel of Table 5.2 presents data on children's behaviour. As with the younger children, parents rated problem behaviour and positive social behaviour on a scale of 1 to 3. Parents also reported on contacts from their children's schools regarding behaviour problems, on a scale that ranged from 1 (for one or no contacts) to 3 (four or more contacts). At both the 36- and 54-month follow-ups, there was no indication that SSP had affected children's behaviour.

The bottom panel of Table 5.2 reports the findings on children's health outcomes. Parents responded to four questions regarding children's health status, and scores reported in the table are average scores across these four items. Parents also reported on whether the child had any long-term health problems and whether they had been injured seriously over the past year. Impacts on children's health were rarely statistically significant, suggesting that SSP did not have large effects on the health of this group of children.

An earlier report (Morris & Michalopoulos, 2000) showed similar outcomes for a wider group of children who were 6 to 11 years of age at the time of the 36-month follow-up interview. The larger group is not shown in Table 5.2 because the 54-month interview did not contain questions about children who were 5 to 8 years of age at the time of random assignment. For the larger group, SSP's effects were even more consistently positive. Children in the program group scored higher than children in the control group on the math test. Moreover, parental reports of children's academic achievement and health were consistently higher in the program group than in the control group.

The finding that SSP improved children's academic outcomes but not behaviour or health in the narrower group of children is consistent with research on the association between poverty and children's outcomes (Duncan & Brooks-Gunn, 1997). Moreover, these findings suggest that the benefits of a program like SSP on children may be sustained beyond the period of the intervention. Families apparently experienced a sufficient increase in income during the period of supplement eligibility to put children on a more positive trajectory that could be sustained during the period after eligibility for the supplement had ended.

Impacts for Children Who Were Young Adolescents at Random Assignment

The role-modeling effect of maternal employment may be particularly pronounced for adolescents. In addition, adolescents in low-income families may take on additional responsibilities at home, such as chores, or engage in their own employment to help support their families. These activities could have either positive or negative consequences for adolescent outcomes. Adolescents might be harmed by increased maternal employment if it leaves them unsupervised at an age when they may initiate risk-taking behaviours, but supervised and high-quality out-of-school programs may have particularly beneficial effects for adolescents (Petit, Bates, Dodge, & Meece, 1999; Posner & Vandell, 1994).

Table 5.3 shows results for adolescents who were 13, 14, or 15 years of age at the time of random assignment and therefore 17.5 to 20.5 years of age at the end of the follow-up period. These findings were based on both parental and adolescent reports of children's functioning at the 36-month follow-up. Unfortunately, many adolescents refused to participate in the surveys, and it is unclear whether the same findings would emerge if a larger proportion of the eligible sample had completed the surveys. The findings for this cohort must therefore be taken with more caution than those for younger children.

The first panel of Table 5.3 presents findings on adolescent academic achievement.[12] While program group and control group parents had similar assessments of their children, SSP significantly reduced children's school achievement according to the adolescents' own reports. Young adolescents in the program group gave themselves lower scores on average achievement in school than did their counterparts in the control group, and they were 11 percentage points more likely to report that they were performing below average in any subject.

Despite these differences in school achievement, SSP had no impact on the proportion of children who dropped out of school or the proportion of children who attended college. At the time of the 36-month follow-up interview, about 10 per cent of the children in both groups had dropped out of school and fewer than 2 per cent were attending college. By the 54-month follow-up interview almost a third of the children had dropped out of school (although a third had also completed high school) and almost 9 per cent were attending college. Thus, any negative effects of SSP on children's perception of their achievement did not result in long-term differences in high school completion or college attendance.

The second panel of Table 5.3 reports findings on adolescent behaviour at the time of the 36-month follow-up interview, based primarily on adolescent report measures. Young adolescents in the program group seemed to display slightly worse behaviour than their control group counterparts. Parents in the control group reported that they had been contacted very rarely about children's behavior problems in school, with the average score close to the minimum score of 1 (indicating never or only one time in the past year). More troubling was that SSP increased young adolescents' frequency of engagement in delinquent activity and increased by 10 percentage points the proportion of young adolescents who said they drank at least once per week.

The third panel of Table 5.3 indicates that SSP did not significantly change adolescents' health outcomes at the 36-month follow-up point. For the control group, parents reported that their adolescent children had relatively good average health (based on a five-point scale) but indicated that almost half of the adolescents had a long-term problem.

[12] As with the younger children, these measures are based on average scores across several academic subjects and range from 1 to 5, with high scores indicating higher achievement.

Table 5.3: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Young Adolescents at Random Assignment

Outcome	36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
Parental report						
Average achievement[b]	3.5	-0.1	(0.1)	—	—	—
Above average, any subject (%)	70.2	-1.8	(5.7)	—	—	—
Below average, any subject (%)	35.1	-1.8	(6.5)	—	—	—
Adolescent report						
Average achievement[b]	3.6	-0.2 *	(0.1)	—	—	—
Above average, any subject (%)	86.9	-6.0	(4.8)	—	—	—
Below average, any subject (%)	74.8	10.7 **	(5.1)	—	—	—
Dropped out of school (%)	10.4	2.6	(3.1)	28.9	2.9	(3.2)
Completed 12th grade (%)	—	—	—	31.0	2.1	(3.3)
Attending college (%)	1.5	-0.3	(1.3)	8.6	0.7	(2.0)
Behaviour and emotional well-being						
Parental report						
School behaviour problems[c]	1.4	0.0	(0.1)	—	—	—
Adolescent report						
Frequency of delinquent activity[d]	1.3	0.1 **	(0.0)	—	—	—
Any smoking (%)	38.9	3.5	(5.8)	—	—	—
Drinks once a week or more (%)	8.3	9.7 **	(4.0)	—	—	—
Any drug use (%)	24.3	4.8	(5.1)	—	—	—
Health						
Average health[e]	4.0	0.0	(0.1)	—	—	—
Any long-term problems (%)	43.6	4.5	(6.6)	—	—	—
Work and school (%)						
Currently working	36.8	3.9	(5.6)	33.9	1.1	(3.3)
Working and in school	30.9	1.1	(5.3)	11.5	0.4	(2.2)
Working and not in school	5.9	2.8	(3.0)	22.4	0.7	(2.9)
Working full time	—	—	—	15.3	0.2	(2.5)
Working part time	—	—	—	18.3	1.0	(2.7)
Working more than 20 hours per week	10.5	9.6 **	(4.4)	—	—	—
Fertility and police involvement (%)						
Ever had a baby	—	—	—	14.1	2.1	(2.4)
Ever been arrested	—	—	—	19.6	0.1	(2.7)
Sample size	202	432		406	867	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[c] Parents of children were asked how often in the past school year they were contacted by the school about their child's behaviou problems in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[d] Frequency of delinquent activity is rated on a scale from 1(never) to 4 (five or more times).

[e] Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

The next panel of Table 5.3 shows that SSP did not significantly affect the proportion of young adolescents who were engaged in work or school at either the 36- or the 54-month follow-up points. Recall that these young adolescents were 16, 17, or 18 years of age at the 36-month follow-up and 17.5 to 20.5 years of age at the 54-month follow-up. Surprisingly, only about one third of this group were working at the 54-month follow-up and fewer than 10 per cent were attending college, these employment rates are low. While SSP increased the proportion of this age group working more than 20 hours per week when these adolescents were assessed at the 36-month follow-up, it did not significantly affect their participation in full-time work at the end of the follow-up period.

The final panel of Table 5.3 shows that 14 per cent of young adolescents in the SSP sample had babies of their own by the end of the follow-up period and almost 20 per cent had been arrested but SSP had not significantly affected either outcome.

These findings suggest that SSP had some small but unfavourable impacts at the 36-month follow-up on behaviour and achievement for children who were young adolescents at random assignment.

Impacts for Children Who Were Older Adolescents at Random Assignment

The final group of children for whom the impacts of SSP were examined were older adolescents at random assignment. For this group, data were collected only at the 54-month follow-up, and these data consisted entirely of parental reports of young adults' school progress and completion, engagement in work and school, fertility, and police involvement (see Table 5.4).

In the control group, almost one third of the young adults in this group had dropped out of school, while nearly two thirds had completed 12th grade. However, only a small proportion of these young adults —11 per cent— were attending college. Almost 60 per cent of these young adults were working; most of these were working and not in school (not surprisingly, given their age). Forty per cent were working full time. Compared with the young adolescent group previously discussed, these rates of school completion and involvement in employment are much higher and suggest that young adults in their 20s (the age of these children at the 54-month follow-up) in these families are likely to be engaged in employment. SSP had no impact on any of these measures of school progress or involvement in school and work.

Almost 20 per cent of this group had had a baby, and a similar number had been arrested. SSP did increase the proportion of young adults who had a baby, by 10 percentage points. However, given that this increase in fertility was not associated with impacts on school completion or engagement in work, there is little reason to be concerned by this result.

Table 5.4: SSP Impacts on Child Outcomes at the 54-Month Follow-Up, for Older Adolescents at Random Assignment

Outcome	Program Group	Control Group	Difference (Impact)	Standard Error
Academic functioning (%)				
Dropped out of school	34.2	29.3	4.9	(4.4)
Completed 12th grade	58.7	63.1	-4.4	(4.6)
Attending college	13.9	11.4	2.5	(3.0)
Work and school (%)				
Currently working	54.9	58.7	-3.8	(4.5)
Working and in school	13.0	10.7	2.3	(2.9)
Working and not in school	41.9	47.9	-6.1	(4.5)
Working full time	36.6	40.8	-4.1	(4.4)
Working part time	17.7	17.2	0.5	(3.5)
Fertility and police involvement (%)				
Ever had a baby	27.8	18.1	9.7 **	(3.8)
Ever been arrested	17.1	18.0	-0.9	(3.4)
Sample size	257	247		

Source: Calculations from 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

OTHER CHILD AND FAMILY OUTCOMES

The previous section shows that SSP had different effects for younger children and older children. The positive effects of SSP were concentrated among a middle group of children, while there were some negative effects for adolescent children, and the youngest children were generally neither helped nor harmed by SSP. There are several potential explanations for these differential effects.

SSP might have had larger effects on income for families with children in the middle age group than for those in other age groups; it might have had the largest effect on employment for parents with adolescent children. As is discussed in Chapter 4, however, the effects of SSP were similar for families with very young children and for families whose only children were in school at the time of random assignment.

Another possibility is that SSP had effects on other outcomes that might have benefited or harmed children. For example, parents may have used their extra income to purchase high-quality and stable child care for younger children but left adolescent children to look after themselves after school. Likewise, younger children might have benefited from having a second parent in the household, while adolescents might have acted out against the new authority figure. Finally, moving to a better neighbourhood might have provided younger children with better schools but made older children feel inferior to their new neighbours without being able to influence their own academic achievement. This section examines these possibilities by showing the effects of SSP on child care choices, parents' emotional well-being, parents' marital status, and household moves.

Child Care

Because SSP increased full-time employment, it probably affected child care arrangements. For example, full-time work may have required parents to place their school-age children into non-maternal care before and after school. The increase in income due to SSP through most of the follow-up period may also have helped parents seek higher-quality care for their children, which may have important implications for the effects of SSP on children's development.

Data on the use of child care were collected only for the youngest child in each family for the 18 months preceding the 36- and 54-month interviews. Child care arrangements were categorized into formal care (daycare centres and after-school programs) and informal care (care given by relatives or non-relatives in the child's or another person's home). These categories are not mutually exclusive; that is, children in informal care may also have been in formal care arrangements.

Table 5.5 presents the effects of SSP on child care for children who were infants and toddlers (1 or 2 years of age) at random assignment who were also the youngest children in the family at the time of the 36- and 54-month surveys. As would be predicted from the program's effects on employment, SSP increased use of non-maternal child care for these children by eight percentage points at the 36-month follow-up and the increase was somewhat larger for informal care than for formal care. By the 54-month follow-up, the program's effect on child care arrangements for this group had declined, along with the declining effect on employment. Similarly, the program's effect on the number of hours per week in care declined from a small but statistically significant impact in the month prior to the 36-month interview to an insignificant impact in the month prior to the 54-month interview.

Table 5.5: SSP Impacts on Child Care Use at the 36-Month and 54-Month Follow-Ups, for Families With Infants/Toddlers at Random Assignment

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Type of child care used (%)						
Any type of care	53.0	7.9 **	(3.9)	49.1	2.0	(3.9)
Formal care	26.8	3.2	(3.6)	19.5	1.9	(3.2)
Informal care	34.9	7.3 *	(3.8)	35.6	-1.1	(3.7)
Relative care	24.0	0.1	(3.4)	21.3	-2.4	(3.1)
Non-relative care	19.6	5.1	(3.3)	19.2	1.5	(3.1)
Extent of child care use						
Number of different types of child care used	0.7	0.1	(0.1)	0.7	0.0	(0.1)
Average number of hours per week in past month	14.0	4.1 **	(2.0)	10.8	-1.5	(1.6)
Stability and quality of child care (%)						
Changed child-care arrangement						
two or more times in past six months	3.1	1.3	(1.5)	2.9	-1.7	(1.1)
Any reservations about main child care-arrangement	—	—	—	6.0	0.0	(1.9)
Any problems with care in past six months	23.7	3.9	(3.3)	42.2	3.6	(3.9)
Sample size	350	687		343	666	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]The sample size in this column is the sum of the program and control group sample sizes.

The stability and quality of care may also affect children's development. According to Table 5.5, only a very small proportion of control group families (three per cent) reported changing child care arrangements two or more times in the six months preceding the 36- and 54-month follow-up surveys, and only six per cent reported any reservations about their main child care arrangement at the 54-month follow-up. However, 24 per cent of families in the control group at the 36-month follow-up and 42 per cent of families in the control group at the 54-month follow-up reported problems with their care arrangements in the past six months. SSP did not significantly change any of the measures of stability or quality at either the 36- or the 54-month follow-up assessment.

Impacts of SSP on child care use for families with children who were preschoolers at random assignment are presented in Table 5.6. As for the younger children, SSP increased the proportion of children in any care arrangement — by nine percentage points at the 36-month follow-up. Not surprisingly, this impact was concentrated in informal care rather than formal care, since these children would have been in school for most of the day at the time of the 36-month and 54-month follow-up surveys (for interviews that took place during the academic year). Impacts on use of care were smaller and non-significant at the 54-month follow-up, as would be expected given the decline in the employment impacts. Similarly, SSP increased the number of hours children participated in care arrangements at the 36- but not at the 54-month assessments. SSP did not significantly affect children's weekly participation in after-school activities (which was measured only at the 36-month assessment).

Table 5.6: SSP Impacts on Child Care Use at the 36-Month and 54-Month Follow-Ups, for Families With Preschoolers at Random Assignment

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Type of child care used (%)						
Any type of care	44.8	8.5 **	(4.1)	41.7	5.9	(4.1)
Formal care	20.5	0.3	(3.3)	11.8	3.5	(2.8)
Informal care	31.9	8.3 **	(3.9)	34.4	3.1	(3.9)
Relative care	18.4	4.6	(3.3)	16.3	6.2 *	(3.2)
Non-relative care	20.5	5.2	(3.5)	23.3	-3.1	(3.4)
Any weekly after-school activity	95.9	1.3	(1.4)	—	—	—
Extent of child care use						
Number of different types of child care used	0.7	0.1	(0.1)	0.6	0.0	(0.1)
Average number of hours per week in past month	8.5	3.5 **	(1.5)	9.2	-0.1	(1.7)
Stability and quality of child care (%)						
Changed child care arrangement						
two or more times in past six months	2.1	3.4 **	(1.6)	1.4	0.9	(1.1)
Any reservations about main child care arrangement	—	—	—	5.9	0.0	(1.9)
Any problems with care in past six months	18.2	7.7 **	(3.3)	37.4	5.1	(4.0)
Sample size	307	638		296	611	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]The sample size in this column is the sum of the program and control group sample sizes.

With regard to stability and quality of care, only about two per cent of control group families reported changing child care two or more times in the six months prior to the surveys. SSP increased this percentage, but only at the 36-month follow-up. At the 36-month follow-up, SSP also increased the proportion of parents reporting problems with their care arrangements, although again this impact declined to non-significance by the 54-month follow-up point.

Parents' Emotional Well-Being

Increases in income and employment may affect parents' emotional well-being and parenting behaviour. Mothers may gain a satisfaction from working that may lead to less depression, greater self-esteem, and more positive parenting practices. At the same time, however, increased employment, particularly full-time employment, might make mothers more stressed.

Information on parents' emotional well-being is presented in Table 5.7. Parents reported how often they had experienced each of a set of depressive symptoms over the last week. On the basis of a summary measure developed from these items, almost 40 per cent of parents in the control group reported depressive symptoms that put them at risk for clinical depression. Program and control groups did not differ in their average depression score or on their risk of depression at either the 36- or the 54-month follow-up. Parents also reported on their self-efficacy — the extent to which they felt that they could control important aspects of their lives — on a scale ranging from 4 to 16. At the 36-month follow-up, SSP had a small positive effect on self-efficacy, although this impact was no longer statistically significant at the end of the follow-up period.

Information about parenting problems was based on a single question about the difficulty parents had in caring for their children, ranging from 1 (not difficult) to 5 (very difficult). Program and control groups reported similar levels of parenting problems. A previous report on this sample showed that SSP had little effect on parenting behaviour despite the increase in income due to SSP (Morris & Michalopoulos, 2000).

Table 5.7: SSP Impacts on Maternal Well-Being at the 36-Month and 54-Month Follow-Ups

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Depression scale[b]	8.0	-0.1	(0.2)	8.3	0.0	(0.2)
At risk for depression[c] (%)	38.6	2.2	(1.9)	38.4	0.3	(1.4)
Self-efficacy[d]	10.5	0.1 *	(0.1)	10.8	0.0	(0.1)
Parenting problems[e]	2.1	-0.1	(0.0)	—	—	—
Sample size	2,228	4,515		2,361	4,794	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] This scale, using a subset of items from the Center for Epidemiological Studies–Depression (CES-D) scale, ranges from 0 to 33, with higher scores indicating greater depression.

[c] Parents with depression scale scores greater than or equal to 9 were scored as being at risk for depression.

[d] This scale ranges from 4 to 16, with higher scores indicating a higher degree of efficacy.

[e] The parenting problems outcome is rated on a scale from 1 (not difficult) to 5 (very difficult).

Marital Status and Household Composition

Along with providing an incentive to work full time, SSP's earnings supplement made marriage more financially attractive than did income assistance. Because income assistance takes into account the income from a husband or partner in the determination of eligibility and grant amounts, the presence of a spouse or partner may cause a reduction or elimination of the grant. SSP removed this marriage penalty by disregarding any income contributed by a husband or common-law spouse.

Although the supplement was structured to encourage marriage, there are other reasons why SSP might have increased or decreased the incidence of marriage. By increasing full-time employment, SSP might have expanded social networks and exposed sample members to potential partners through work. By increasing income, SSP might have facilitated marriage and common-law unions by alleviating financial difficulties, a major source of conflict in relationships, or by allowing couples to afford marriage. SSP might also have increased the appeal of former welfare recipients to potential partners by increasing self-esteem and feelings of self-sufficiency through employment or enhancing attractiveness through increased income.

Even though SSP did not penalize marriage, increased income and employment might have worked in other ways to decrease the likelihood of marriage. SSP might have decreased marriage if the increased time spent in full-time employment detracted from time available to meet and get to know potential spouses or partners.[13] By increasing income, SSP might have allowed program group members to stay single by making it easier to forgo additional income from a spouse or partner. For example, in focus groups conducted as part of SSP, women reported that financial independence allowed them to leave abusive relationships (Bancroft & Currie Vernon, 1995). Another possibility is that SSP might have encouraged women to delay marriage and instead focus on increasing their human capital through work.

Marriage is one avenue to leaving welfare, and if SSP increases marriage, SSP recipients may be less likely to rely on welfare once their supplement payments end. Therefore, an increase in marriage may facilitate long-term independence from income assistance and result in long-term impacts on employment and earnings. Moreover, because research suggests that children benefit from living in two-parent families (McLanahan & Sandefur, 1994), the effects of SSP on marriage may also suggest how SSP may affect children.

Table 5.8 presents the effects of SSP on marriage and common-law relationships during the four and a half years of follow-up. On average, SSP did not significantly increase or decrease the proportion of parents who married. The proportion who were married increased from about 6 per cent in the early part of follow-up to about 13 per cent by the end of the 54-month follow-up period, but it increased by the same amount for both the program and control groups.

[13] An excerpt from the focus group report supports this theory: "A number of participants said that the amount of time spent working left no time for a social life . . . . As one woman said, 'You work six nights a week, you have no time for boyfriends.'" However, this section of the report also noted that there were exceptions. Four women were married or about to be married, and one said she never would have met her husband without SSP (Bancroft & Currie Vernon, 1995, p. 45).

Table 5.8: SSP Impacts on Marriage, Household Composition, and Fertility at the 18-Month, 36-Month, and 54-Month Follow-Ups

	18-Month Follow-Up			36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Marital status (%)									
Ever married or in common-law relationship in last 18 months	9.7	0.3	(0.9)	14.5	0.3	(1.0)	22.5	0.3	(1.2)
Ever married	5.8	-0.2	(0.7)	8.5	0.0	(0.8)	12.9	-0.4	(1.0)
Ever common-law	4.1	0.5	(0.6)	6.5	0.3	(0.7)	10.5	1.0	(0.9)
Household composition (%)									
Lives with no children	15.2	1.7	(1.1)	19.2	-0.2	(1.1)	15.8	0.6	(1.1)
Lives alone with children	59.6	-1.5	(1.4)	51.8	-1.2	(1.4)	53.1	-1.5	(1.4)
Lives with children and spouse only	8.0	0.0	(0.8)	12.7	-1.1	(0.9)	15.4	-0.3	(1.0)
Lives with children and parents/parents-in-law only	2.8	0.6	(0.5)	2.2	0.2	(0.4)	2.3	0.0	(0.4)
Lives with children and another adult	14.4	-0.8	(1.0)	14.1	0.9	(1.0)	13.4	1.2	(1.0)
Fertility (%)									
Any new children in family in last 18 months	5.9	-0.7	(0.7)	6.7	-0.8	(0.7)	5.1	-0.3	(0.6)
Low birth weight [b]	—	—	—	6.0	0.8	(2.3)	5.1	-0.7	(2.6)
Sample size	2,392	4,852		2,392	4,852		2,392	4,852	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] This measure is for children born in the 18 months prior to follow-up. At the 36-month follow-up, this measure is for children born within the last 24 months.

Although SSP had no overall effect on marriage, findings presented in earlier SSP reports found a slight positive effect on marriage in New Brunswick and a slight negative effect in British Columbia. By the end of the four-and-a-half-year follow-up period, however, the rates of marriage in the program and control groups had begun to converge, and differences in the proportion of program and control group members who were married were no longer statistically significant in either province. For a detailed investigation of the program's effects on marriage in the two provinces, see Gennetian & Harknett, 2000.

SSP also did not significantly affect other measures of household composition or fertility at any of the three follow-up points. At least half of the parents in both the program and control groups lived alone with their children, and about 15 per cent of the sample lived with children and an adult who was not the spouse or partner of the recipient. Although at random assignment all sample members had children under the age of 19 living in the home, by the 18-month follow-up, more than 15 per cent were no longer living with any children under the age of 18. In each of the 18-month period up to the follow-up assessments, about six per cent of the sample had new children in the family. Of those who had additional children, only about five per cent had low-birth-weight infants, and SSP did not increase or reduce this percentage.

IMPACTS ON HOUSING ARRANGEMENTS, MOBILITY, AND QUALITY

By increasing income, SSP might have changed the type or quality of housing where recipients lived. The greater income from SSP might have allowed parents to purchase better-quality housing, or housing in better-quality neighbourhoods, which might in turn have benefited children's well-being. At the same time, parents might have lost their eligibility for housing subsidies with the receipt of their earnings and the SSP supplement.

Impacts on housing arrangements, mobility, and quality are presented in Table 5.9. At each of the follow-up points, about four fifths of sample members rented their own home and about 10 per cent owned their own home, while very few were doubling up with family or friends. SSP had no impact on any of these measures of housing arrangements.

At each of the follow-up assessments, about half of the program group members had moved in the last 18 months, suggesting a fair amount of mobility in this sample. SSP had a small (three percentage point) impact only on the proportion of families who had ever moved in the last 18 months at the 18- and 36-month follow-ups. However, SSP did not significantly affect the proportion of families who had moved frequently (two or more times) or on any of the measures of mobility at the 54-month follow-up. Furthermore, SSP did not significantly affect housing or neighbourhood quality.[14] Parents indicated that their homes had on average almost two rooms per person. At the 18- and 36-month follow-up assessments, almost half reported that their neighbourhoods were of high quality, and, at the 54-month follow-up, more than 80 per cent indicated that they were highly satisfied with their housing.

[14] Parents were asked to rate their neighbourhood quality on a scale from 1 to 5 and their housing satisfaction on a scale from 1 to 4, with high scores indicating higher-quality neighbourhoods and housing.

Table 5.9: SSP Impacts on Housing Arrangements, Mobility, and Quality at the 18-Month, 36-Month, and 54-Month Follow-Ups

Outcome	18-Month Follow-Up			36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Housing arrangements (%)									
Owns home	8.8	-1.0	(0.8)	12.3	-0.8	(0.9)	15.6	-0.4	(1.0)
Rents home	84.6	0.3	(1.0)	78.1	1.0	(1.2)	78.4	0.6	(1.2)
Shares rent with friends or family	—	—	—	—	—	—	2.6	-0.2	(0.4)
Lives with friends or family and does not pay rent	1.8	-0.3	(0.4)	2.6	-0.6	(0.4)	2.6	0.1	(0.5)
Lives in a group shelter	0.7	-0.3	(0.2)	0.4	0.2	(0.2)	0.1	0.0	(0.1)
Other housing arrangement	—	—	—	—	—	—	0.5	0.2	(0.2)
Housing mobility (%)									
Ever moved in last 18 months	48.0	2.5 *	(1.4)	45.0	2.6 *	(1.4)	40.0	0.4	(1.4)
Moved two or more times in last 18 months	17.1	-0.8	(1.1)	17.9	1.4	(1.1)	14.0	0.1	(1.0)
Housing and neighbourhood quality									
Number of rooms per person	1.7	0.0	(0.0)	1.9	0.0	(0.0)	1.9	0.0	(0.0)
Neighbourhood quality [b]	2.7	0.0	(0.0)	2.5	0.0	(0.0)	2.5	0.0	(0.0)
High neighbourhood quality (%)	43.4	0.9	(1.4)	46.3	-0.2	(1.4)	50.4	0.6	(1.4)
Satisfaction with housing [c]	—	—	—	—	—	—	1.9	0.0	(0.0)
High satisfaction with housing (%)	—	—	—	—	—	—	81.2	1.6	(1.1)
Sample size	2,392	4,852		2,392	4,852		2,392	4,852	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] Neighbourhood quality is rated on a scale from 1 to 5, with high scores indicating higher-quality neighbourhoods.

[c] Satisfaction with housing is rated on a scale from 1 to 4, with high scores indicating higher-quality housing.

CONCLUSIONS

Results in this chapter indicate that SSP positively affected children who were in elementary school by the end of the follow-up period; that it had a smattering of negative effects for adolescent children and that these effects were concentrated during the period when SSP had encouraged parents to work full time; and that it neither benefited nor harmed children who were infants or toddlers when their parents entered the study.

SSP had few significant effects on several factors that could have mediated the program's effects on children. It did not significantly change who lived with the children or whether their parents were married. It did not improve or worsen parental emotional well-being. It had small effects on residential mobility, but not on the quality of neighbourhoods where families lived.

As Chapter 4 indicates, the economic effects of SSP were similar for parents of children of different ages. Thus, the lack of effects on mediating outcomes implies that SSP had different effects by age of child because children respond to increased income and increased maternal employment in different ways. Increased income might have been great enough to exactly offset the negative effects of maternal employment that were expected for the youngest children. In contrast, children who were in elementary school during much of the follow-up period would have felt their mother's absence less but still benefited from the increased income. Moreover, there is evidence that the positive effects for these children were sustained even after parents were no longer receiving extra income from the program. Finally, adolescents might have used a lack of supervision after school to engage in minor acts of delinquency. If this is true, it suggests that improved after-school programs for adolescents might help mitigate any negative effects of their parents' going to work.

Chapter 6:
The “Cliff”

The Self-Sufficiency Project (SSP) design called for the withdrawal of the full supplement following the 36th month of eligibility. There was no option in the design for supplements to be phased out gradually, this sudden drop in income created a “cliff” rather than a “slope.” The consequences of encountering the cliff after 36 months were unlikely to be trivial, because families may have come to rely on the generous supplements.

This chapter assesses what happened to supplement takers when their supplement entitlement expired. The employment impacts that are the main focus of previous chapters of this report were obtained from the SSP design that included the cliff. The purpose of this chapter is to help understand whether cliff-related factors were indeed important to this design, by examining how supplement takers prepared for the cliff and how they responded to the withdrawal of support as their entitlement expired.

The chapter begins by looking at who among supplement takers were most likely to be affected by the cliff. This discussion is followed by a description from supplement takers’ own accounts of what the imposed supplement loss meant to them, in terms of both the decline in their monthly income and the possible loss of other benefits of program participation. The third section of the chapter turns to supplement takers’ anticipation of the cliff. It attempts to put the subsequent discussion of the effects of the cliff in the context of the views and strategies that participants had for dealing with the approaching supplement loss. The chapter concludes by reviewing the consequences of the cliff, in terms of its effect on full-time employment of takers, their self-sufficiency and independence from welfare, and any hardship that was experienced as a result of the decline in income. The possible relationship between these cliff-related effects and the pattern of experimental impacts observed for the program is also explored.

Unlike the previous chapters that report experimental impacts, this analysis is, by necessity, non-experimental. Both quantitative and qualitative data are used for this analysis. The sources are drawn from two separate but parallel studies, described in the accompanying text box.

SUMMARY OF FINDINGS

- A significant proportion of supplement takers made regular use of the supplement leading up to its expiration. Over 40 per cent of all supplement takers were in receipt of the supplement in at least five out of the last six months of their eligibility and were therefore likely to have experienced the cliff, as they had relied on the supplement leading up to its expiration.
- To a degree, participants were able to compensate for the loss of the supplement with increases in other income sources, in particular with increased earnings. Although the cliff involved the elimination of almost a third of average monthly after-tax income, only a 20 per cent decline was observed, as many supplement takers

experienced an increase in other income sources. Among those who experienced the cliff, average monthly after-tax earnings rose by almost 15 per cent between the 36- and 54-month interviews.

- A large majority of participants who faced the cliff were confident that they would maintain full-time employment along with their self-sufficiency. Most participants had given some thought to particular strategies for dealing with the supplement loss, including savings and tighter budgets, although few put them into practice before the cliff.
- Although the pattern of full-time employment for all takers appears to have been quite stable through the cliff, by contrast there was a noticeable decline among those facing the cliff. There was a 22-percentage-point drop in full-time employment among takers facing the cliff, which began four months before and ended six months after the expiration of the supplement.
- Although the end of the supplement preceded a decline in full-time employment for some who experienced the cliff, for most the adjustment to life without the supplement may ultimately have been manageable. Over 70 per cent of those who faced the cliff were still employed full time eight months after the end of their entitlement to the supplement, and only 1 in 10 returned to income assistance (IA).
- There was a decrease in expenditures in a number of categories after the cliff, and although savings decreased and debt levels rose, there were no significant increases in overall hardship for most participants. Participants compensated for the loss of supplement income by cutting expenses, including groceries, eating out, and clothing. Many also depleted their savings and increased debt. On average, credit card debt rose by nearly 50 per cent between the 36- and 54-month interviews, and total debt amounts rose by almost as much. However, there were no significant increases in hardship as measured by use of food banks, difficulty getting groceries, or problems with meeting basic necessities and essential bills.

WHO EXPERIENCED THE CLIFF?

Although the definition of the cliff is straightforward — the imposed loss of supplement income after 36 months of entitlement — questions about who actually experienced the cliff and how significant it was to them are harder to answer. As is illustrated in Chapter 2, fewer than two in every five program group members ever took up the supplement. As a result, the loss of supplement eligibility was not going to affect all program group members in the same way. The same reasoning applies to those who actually took up the supplement at some point during their eligibility period. As is illustrated in Table 2.5 of Chapter 2, supplement takers differed in the degree to which they made use of the supplement. Some were more intensive users than others. In one respect, all program group members became ineligible for the supplement at some point.

Participant Samples and Data Sources Used for the Analysis of the Cliff

The analysis of the cliff in this chapter draws upon data sources derived from two parallel studies. The sample of participants and respective data sources corresponding to each study are described below. The two samples are not directly comparable, and for reasons of sample confidentiality, no direct link can be drawn between them.

1. The Cliff Survey Sample

The SSP follow-up surveys and linked administrative data sources, which were obtained as part of the primary SSP recipient study, provide extensive quantitative data relevant to an analysis of the cliff. A sample of participants who were likely to have been affected by the expiration of the supplement is identified in this chapter from respondents to the 54-month follow-up survey. This group is referred to as the cliff survey sample and comprises 378 takers who received a supplement in at least five of the last six months of their supplement eligibility (from Month 31 to Month 36 of their entitlement). The rationale for this sample is explored in the first section of the chapter. Data sources for the analysis corresponding to the cliff survey sample include the baseline, 18-, 36-, and 54-month follow-up surveys; administrative data on income assistance, and supplement delivery records from the Project Management Information System.

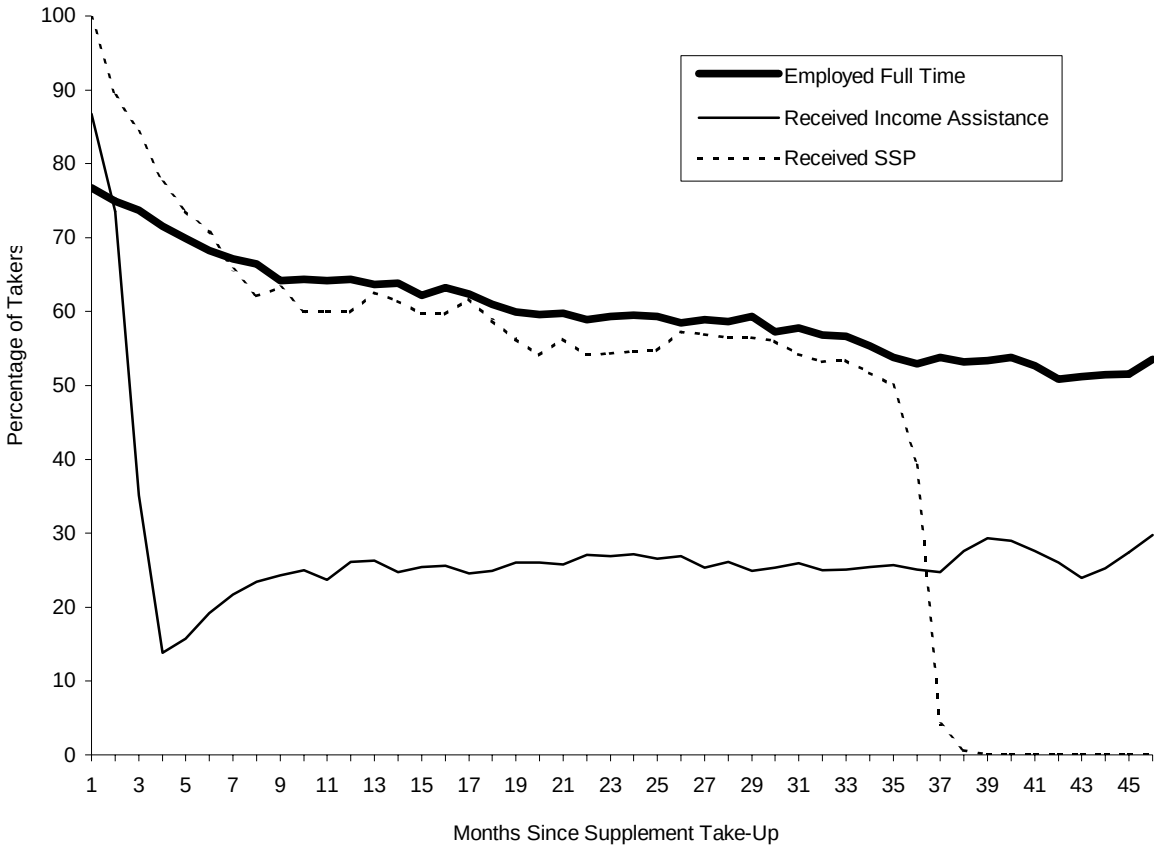
2. The Cliff Study Sample

The SSP cliff study combined qualitative and quantitative methods in an attempt to track what happened to participants who were facing the loss of supplement income at expiration. The study began several months prior to the participants' supplement expiration date and then followed them until eight months after expiration. Participants were recruited for this study from among those who were approaching the cliff (three to six months before supplement expiration). Those selected were in receipt of the supplement at that time and were expected to be receiving it at the cliff. Recruitment occurred in all four study sites (Vancouver and New Westminster in British Columbia, Saint John and Moncton in New Brunswick). A total of 52 participants agreed to be part of the longitudinal study, with an even 26 in each province.

The study began with participants attending a focus group workshop in which they had an opportunity to provide a personal and detailed assessment of their ability to handle the transition off the supplement. Each participant also agreed to take part in three in-depth telephone interviews: at three months before expiration and then at four and eight months after the expiration date. In these interviews, respondents provided a detailed account of their income and expenses for the previous month, as well as any hardship they encountered. Response was low for the interviews at four months post-cliff, so results presented here relate to pre-cliff and eight-months-post-cliff interviews only.

Figure 6.1 appears to illustrate the following well. Around half the takers received a supplement in their 36th month following supplement initiation. The graph shows the dramatic drop in receipt to virtually zero by Month 37. There also appears to be no discernable fall in employment among takers through the cliff. Although supplement receipt fell from 55 per cent to zero between months 36 and 38, full-time employment appears to have been stable through this period. However, the cliff did not affect all takers to the same degree, and therefore the takers may not have exhibited the same pattern of employment in this period. For an understanding of the full implications of the cliff, those who were most vulnerable to supplement loss need to be identified.

Figure 6.1: Employment, IA Use, and Supplement Receipt Among SSP Supplement Takers



Sources: Baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

It would appear from the graph that about half of all supplement takers experienced this cliff. However, not all those who received a supplement in Month 36 were necessarily in receipt in Month 34 or Month 35. For people who were having trouble maintaining full-time hours for more than a month at a time, the payment in Month 36 would not so much have represented a dramatic end to a period of continuous supplement receipt as it would an instalment in an ongoing but irregular pattern of top-up for their occasional full-time earnings. It would be hard to argue that such irregular recipients would have become used to supplement payments as a regular contribution to their income and would then be affected by the supplement expiration.

For takers to have experienced the cliff they should by definition have spent some time in regular receipt of the supplement and had such a period of receipt brought to an end by supplement expiration. A group of such takers is identified in this chapter from Program Management Information System (PMIS) and survey data. This sample, referred to as the cliff survey sample, comprises takers who received a supplement in at least five of the last six months of their supplement eligibility (from Month 31 to Month 36 of their entitlement). Much of the subsequent analysis focuses on the cliff survey sample, but when relevant, non-experimental comparisons are made with all supplement takers, the non-cliff supplement takers, and all program group and control group members.

Table 6.1 contrasts the supplement receipt patterns of the cliff survey sample with non-cliff takers, illustrating that they did indeed have more intensive use of the supplement in the six months leading up to the cliff. Over the entire supplement eligibility period, on average each cliff sample member received over $25,000 in total supplement payments, about twice as much as non-cliff takers. In the last six months of supplement eligibility, they received over $4,000 in supplement payments, which was more than five times that of non-cliff takers. This finding illustrates that the cliff sample does represent a group of supplement takers who were more intensive users of the supplement in the months leading up to its expiration and therefore were more likely to have experienced the cliff and felt the effects of enforced supplement loss.

Table 6.1: Supplement Receipt by Cliff Takers and Non-cliff Takers

	Cliff	Non-cliff	All Takers
Percentage of all takers	43.2	56.8	100.0
Entire supplement eligibility period			
Average number of months of supplement payments	30.6	15.5	22.0
Average supplement payments per month of receipt ($)	831	812	820
Average total supplement payment ($)	25,536	12,731	18,256
Last six months of supplement eligibility period			
Average number of months of supplement payments	5.6	1.0	3.0
Average supplement payments per month of receipt ($)	783	758	775
Average total supplement payment ($)	4,391	818	2,360
Sample size	378	498	876

Source: SSP's Program Management Information System.

Notes: A cliff taker is a supplement taker who received supplement payments in five of the last six months of supplement eligibility. A non-cliff taker is a supplement taker who received payments in fewer than five months during the same period. Rounding may cause slight discrepancies in the calculation of sums and differences.

WHAT DOES IT MEAN TO EXPERIENCE THE CLIFF?

Understanding the effect that the imposed supplement loss had on supplement takers involves consideration of both the significance of the supplement as a source of income and its overall impact on the user's circumstances and quality of life. This section uses survey data from all four interviews (baseline and 18, 36, and 54 months after random assignment) to assess the effect that supplementation had on takers' monthly after-tax income. The section ends with a discussion of the effects of supplementation on takers' lives, based on qualitative data from focus groups.

Income Composition at Random Assignment and at 18, 36 , and 54 Months

The extent to which the loss of supplement income may have affected supplement takers depends not only on the frequency and duration of supplement receipt, but also on the level of this supplementation relative to other income sources. How important was the supplement to takers in the context of their other income sources? How much did income rise with the onset of supplementation, and how much did it fall after the supplements ended?

Figures 6.2 through 6.5 provide a breakdown of monthly after-tax income sources for control and program group members as well as for all takers and for the cliff survey sample. Results are presented for all four waves of SSP surveys, allowing the effect of supplementation to be viewed over time. At random assignment, the average after-tax

income of all four groups was the same at approximately $1,200 per month, with the primary source being income assistance. The change from baseline to 18 months captures the onset of the supplement, while the change from 36 to 54 months covers, for nearly all members, the period when supplement entitlement expired.

The income of control group members remained stable at around $1,200 throughout the 54 months (Figure 6.2), with only a slight increase toward the end as more group members left welfare. As is illustrated in Chapter 3 on experimental impacts, SSP resulted in increases in income for program group members when compared with the control group, but only during the period of supplement eligibility. Figure 6.3 illustrates that the average after-tax income of program group members fell gradually, from almost $1,350 at 18 months down to just over $1,200 at 54 months, a similar level to that of the control group.

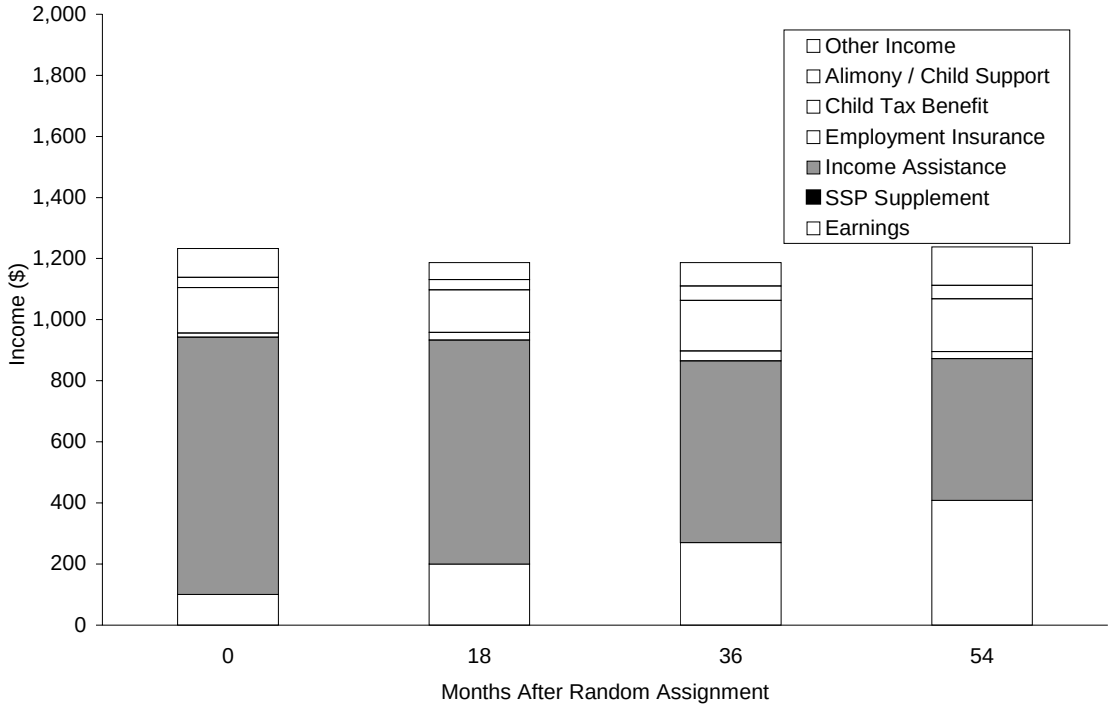
This gradual decline in the after-tax income of program group members might be interpreted as evidence that there was no dramatic effect of the cliff on income levels. However, this result was observed because the program group included many who never made use of the supplement as well as takers who experienced gradual job loss throughout their eligibility period. The impact of the cliff on income levels and composition is better observed for supplement takers (Figure 6.4) and clearer yet in the results for the cliff survey sample (Figure 6.5.)

The composition and level of income for the cliff sample are similar to those of the other groups at random assignment.[1] However, with the commencement of supplement entitlement, the importance of the supplement as an income source becomes clear. It made up over 30 per cent of income (32 per cent at the 18-month interview and 33 per cent at the 36-month interview). Average monthly after-tax income rose from the 12-month interview to the 18-month interview as earnings rose coincident with the commencement of the supplement. This level persisted at the 36-month interview ($1,821). However, as supplement eligibility expired for most members, average after-tax income fell by $361 at the 54-month survey to $1,460 per month. Table 6.2 outlines the changes in income levels by source for the cliff sample in Figure 6.5.

This group of takers who experienced the cliff had the highest level of overall after-tax income at 54 months, as well as the lowest level and proportion of income coming from welfare. They had a higher level of earnings than each of the other groups and continued to experience an increase in earnings from 36 to 54 months. Although they had experienced the cliff to the greatest extent — having had the largest relative drop in after-tax income of 20 per cent — it appears that to a degree they compensated for the loss of the supplement, a third of their pre-cliff income, with increases in other income sources.

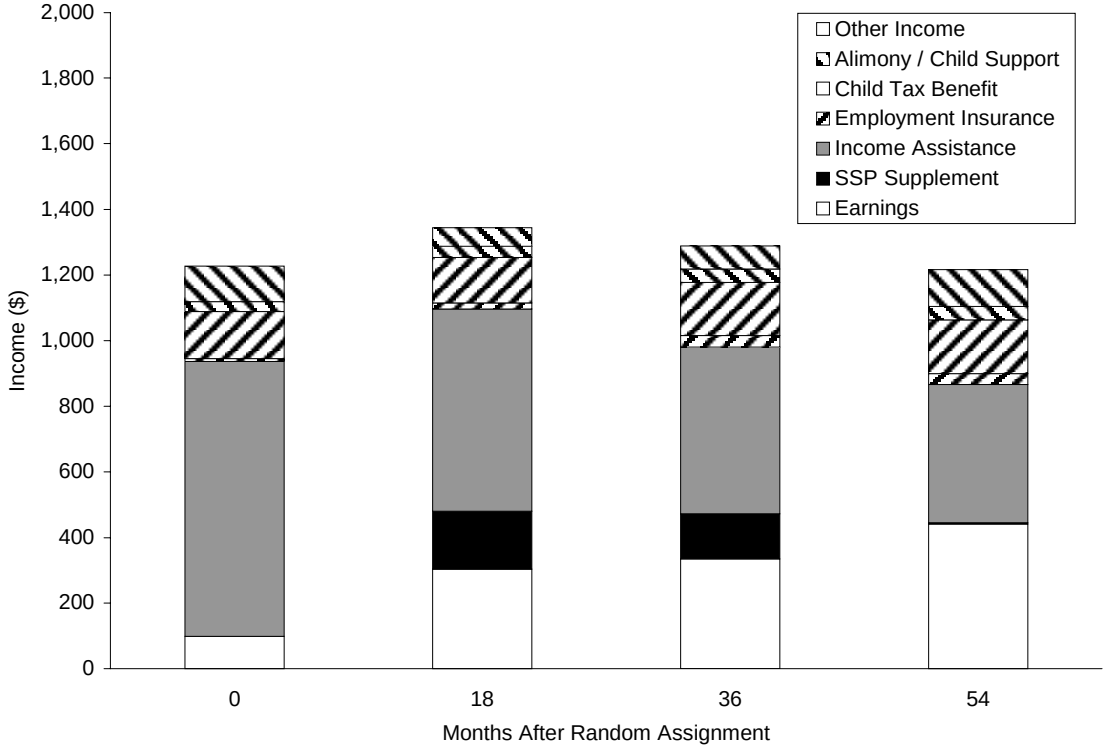
[1]Although participants in the cliff survey sample were more job-ready and less disadvantaged than other members of the program group, their income was similar to the others' income, as all sample members were on income assistance for at least a year before being selected for SSP. Cliff sample members did have a higher proportion of their income from earnings and less from income assistance than other program group members.

Figure 6.2: Average Monthly After-Tax Income in Six Months Prior to Interview — Control Group Members



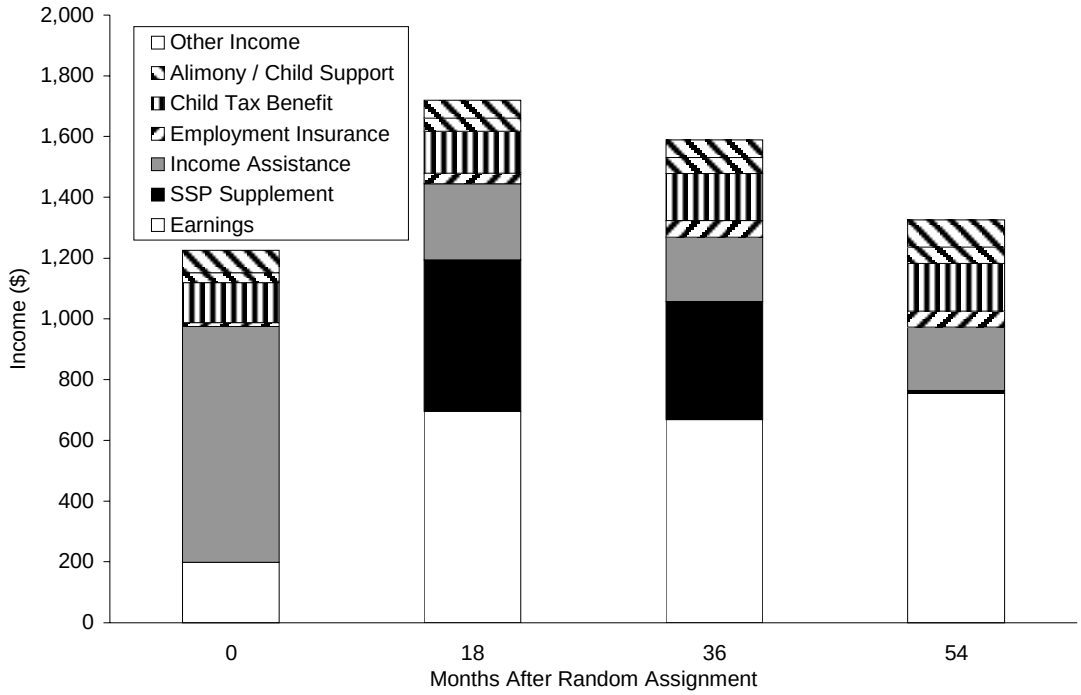
Sources: Baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

Figure 6.3: Average Monthly After-Tax Income in Six Months Prior to Interview — Program Group Members



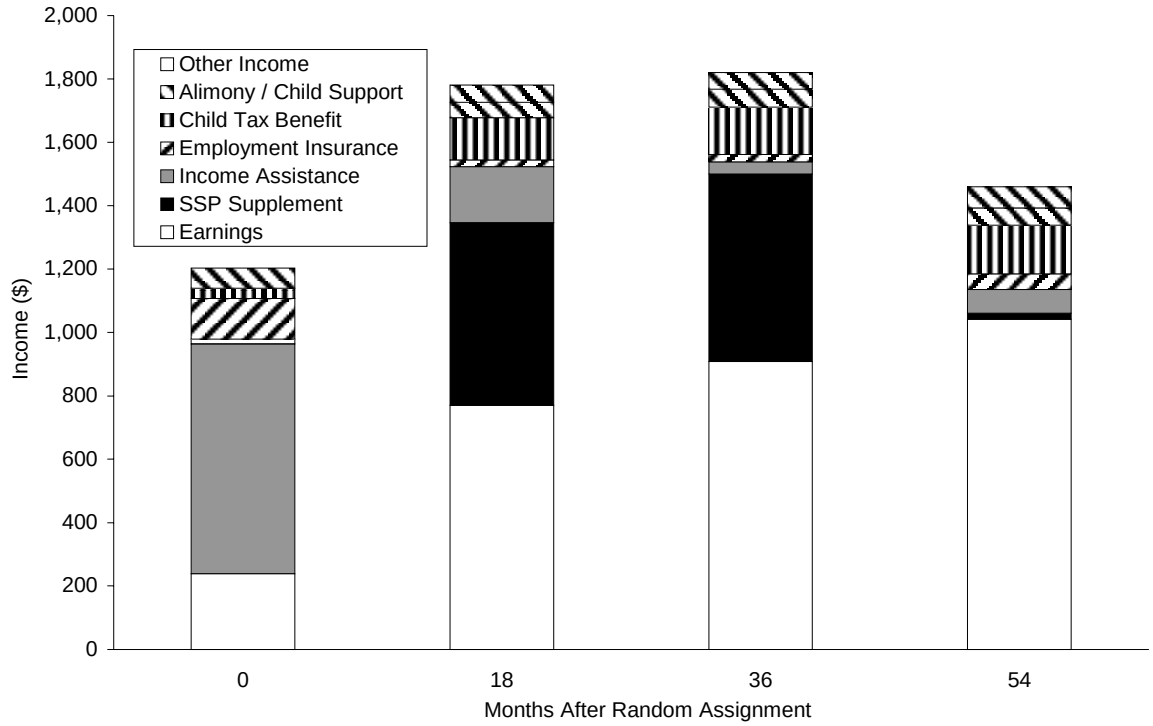
Sources: Baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

Figure 6.4: Average Monthly After-Tax Income in Six Months Prior to Interview — All Supplement Takers



Sources: Baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

Figure 6.5: Average Monthly After-Tax Income in Six Months Prior to Interview — Cliff Sample



Sources: Baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

Cliff sample members in British Columbia and New Brunswick differed somewhat in their reliance on the supplement and their ability to compensate for the lost income. The supplement constituted a larger proportion of the income of those in New Brunswick, where it represented 35 per cent of average monthly after-tax income, compared with about 30 per cent for those in British Columbia. As a result, the loss of supplement income after its expiration may have been slightly more significant to those in New Brunswick. The change in other income sources from the 36- to 54-month interviews also differed. Although cliff sample members in both provinces experienced increased average earnings, those in British Columbia compensated for the lost income with increases in employment insurance and other miscellaneous sources, while those in New Brunswick relied on increases in income assistance and the Child Tax Benefit. Considering all sources, cliff sample members in British Columbia experienced only a 16 per cent decline in monthly after-tax income, compared with 23 per cent for those in New Brunswick.

Table 6.2: Average Monthly After-Tax Income in Six Months Prior to Interview for the Cliff Sample, by Source

	Interview Month			
Income Source ($)	Baseline	18	36	54
Earnings	238	771	908	1,042
SSP supplement	0	576	593	20
Income assistance	725	177	38	75
Employment Insurance	16	21	23	49
Child tax credit	129	133	149	153
Alimony / child support	31	49	56	55
Other income	64	54	53	67
Total income	1,204	1,780	1,821	1,460
Sample size (total = 291)				

Sources: Baseline survey data and 18-month, 36-month, and 54-month follow-up survey data, income assistance administrative records, and SSP's Program Management Information System.

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

Impact of the Supplement on Perceived Quality of Life and Well-Being

Experiencing the cliff meant that participants could lose other benefits derived from their involvement with SSP in addition to the loss of income. Supplement receipt could have meant a lot more to participants than added income. It is important to take into account the nature of these other derived benefits in order to understand the full implications of the cliff and what it might have meant for participants' ability to maintain self-sufficiency beyond the end of the supplement.

The SSP cliff study (described in the text box on page 99) was implemented alongside the broader SSP recipient study in an attempt to track what happened to participants who were facing the loss of supplement income at exposure. The study was able to elicit information-rich responses from participants on a range of cliff-related issues by using qualitative methods, including focus groups. A key objective of the cliff study focus groups was to explore participants' perceptions of the ways in which their participation in the project affected their lives overall. The focus of the discussions was thus not limited to the effect of supplementation on financial well-being but included, more generally, effects on quality of

life. One part of this process required participants to rate the degree to which participation in the project had affected their lives, using a temperature scale from 0 to 100. These results were then discussed with the group to explore underlying themes. This section presents some of the key qualitative results from this approach. Respondents in the focus groups were all on the verge of experiencing the cliff.

Temperatures recorded by the 26 participants in New Brunswick suggest that their SSP experience had had a very large effect on their lives financially, with an average temperature recorded of 87 degrees. By contrast, 26 participants in British Columbia averaged only 78 degrees, and whereas 10 participants in New Brunswick recorded top temperatures of 100 degrees, only three did so in British Columbia. In general, having the extra money appears to have helped most with the ability to pay off debts, make major purchases, pay for essentials as well as some extras, and save. The supplement appears to have had less financial impact when participants were faced with irregular work hours or supplement payments, high ongoing expenses, or accumulated debts; when there was a sudden loss of a source of income; or when wages were high.

Focus group respondents felt that receipt of the supplement was less likely to have affected life overall beyond financial well-being. Again those in New Brunswick were more likely to report an effect than those in British Columbia. Entries on the temperature scales averaged 81 degrees in New Brunswick, versus only 71 degrees in British Columbia. Again, New Brunswick participants were proportionately more likely to cite extremely high temperatures than were those in British Columbia. In general, SSP had more effect on participants' lives when it was seen to effect improvements in the four areas described in the following sections.

Quality of Life

Not surprisingly, given the broad nature of this category, improvements in quality of life were mentioned by the largest proportion of focus group participants (73 per cent), with an equal number of participants in the two provinces.

Participants commonly spoke of moving to better housing. Several spoke of having a more active and open social life — and, in some cases, a more positive and healthy social life. Several, especially in New Brunswick, spoke of getting married or of moving in with boyfriends.

Finally, an improved quality of life could encompass improvements in many areas.

> Actually before I started the program we were just recuperating from the drug problems and that is what really helped me to get to know the program and I thought if I can get this I can get on my feet and get out of the drugs, and actually did.

Personal Well-Being

Most commonly, participants cited ways in which their sense of self-esteem, self-confidence, and competency had improved. Being off welfare had much to do with these feelings, as did proving capable in employment and feeling that working connected them to "productive" society and set a more acceptable role model for their children. Several mentioned enjoying increased respect from others.

A number of participants mentioned improvement in terms of experiencing less stress. They characterized their experiences variously as having less depression, anxiety, frustration, guilt, and/or shame.

> I was on Social Assistance for two or three years before I went back to school. I found that my self-esteem was really getting eroded. Staying at home all the time, taking care of the kids. It's like you look out the window and the whole world is going by and they have all got things going on and they are jumping in their cars and going on with their lives and you are sitting down thinking how you are going to make $40 stretch for groceries for a week.

Several participants, especially in British Columbia, also spoke of appreciating a sense of increased self-reliance and independence. They felt they had more control over their lives, including financial control.

> I am stronger. I can make decisions now, whereas before I wouldn't make decisions. I would either let my husband make them or I would be hemming and hawing about it and stuff like that.

Helping Effect the Transition Off Welfare and Improving Career Opportunities

Roughly one third of participants, with proportionately more in British Columbia than in New Brunswick, thought that SSP had played a substantial role in motivating them to leave welfare by providing them with the initial financial incentive and then allowing them a "taste" of a better life without income assistance. SSP staff was often credited with providing both emotional and practical support that facilitated the transition to work as well as job retention. About one fifth of participants cited ways in which working and receiving the supplement had opened the way for them to gain experience and more work skills.

Improving Children's Well-Being

Several participants also mentioned improvements in the quality of life of their children as a result of participation in the program. Although some mentioned that they had less time with their children, others highlighted the benefits of reduced financial strain for their entire family.

> When I was on welfare my kids were always in my face and I was getting mad at them. Now it seems I have mellowed out a bit where I don't have such an issue with them like I did before. It's like I am a happier person and it's going to rub off on them because they are going to be happier too. I have noticed a difference.

The supplement was reported to have had little impact on overall life for participants who were already working at random assignment. Those who reported less of an effect on their overall lives were those who experienced a decrease in personal well-being. Decrease in well-being was actually cited by just under one quarter of participants, with proportionately more in British Columbia than in New Brunswick. Those who fell into this category spoke of experiencing increased anxiety because of the impending loss of the supplement and of experiencing guilt because of pressure from their children to stay at home. Their quality of life was actually worse as a result of their involvement in the project, generally attributed to having less time to spend with their children or to having a "bad job," one that offered low wages and/or low or unstable work hours.

PREPARATION FOR THE CLIFF — SELF-SUFFICIENCY

Supplement takers had generally experienced improvements in their financial well-being, and often these translated into improved quality of life overall. The cliff might have threatened these improvements. As supplement takers were aware of the supplement expiration, many might have prepared for it and might be expected to have fared better following supplement withdrawal. The effects of the cliff should thus be viewed in the context of the views that participants had of the upcoming supplement loss and the strategies they had for dealing with it. The actions taken, or not taken, in preparation for the future decline in income would likely influence recipients' ability to maintain self-sufficiency once the supplement had ended.

This section uses qualitative data from the cliff study and questions from the 36-month follow-up survey pertaining to respondents' preparations for the future. Results from this analysis help to answer the following questions, which in turn help to explain takers' circumstances post-cliff, such as whether they remained self-sufficient or returned to welfare.

- How confident were supplement recipients of their ability to remain self-sufficient?
- Did they plan to return to income assistance or feel it was inevitable?
- What were some of the strategies used in preparation for the end of the supplement?

Confidence in Remaining Self-Sufficient

When focus group participants were asked to indicate how confident they felt about their ability to remain self-sufficient when the supplement ended, just over half said they were "extremely" or "very" confident.[2] No one said they were "not confident at all." Many others expressed mixed emotions about the supplement ending, stating that they would miss the extra income but still felt they would be fine on their own after the supplement ended. At the other extreme, there were a small but significant number of participants who were worried about the end of the supplement.

Generally, participants attributed their level of confidence in the future to the following factors: financial security, job security, career opportunities, personal security, belief in self and abilities, and personal values.

Financial/Job Security and Opportunities for Wage or Status Increases

Participants who felt they were financially secure typically spoke of having paid off any debts they might have had before or of having no outstanding debts currently. Several said they were more financially secure because they had experienced an earnings increase that meant their actual supplement amount was less than they could manage on what they earned. Some had outside sources of income to draw on, such as a pension.

Some had demonstrated good money management skills in the period of time they had received the supplement and were confident of their ability to manage in the future. In a few cases, their family circumstances had changed; children had grown up and left home or, at least, become less expensive to care for.

[2]Categories were "extremely," "very," "not very," and "not confident at all."

> Extremely . . . because my job is there for me. There's no chance of losing my job and there is a chance of a wage increase and an increase further up the ladder too.
>
> I am very confident for one reason: I have already had two promotions at my job and was told in December I am up for a big boost here.

Personal Security

Comments recorded as indicating a sense of "personal security" referred to the presence of friends or family members whom the participant felt she could call on in times of need.

Belief in Self

Several participants spoke of feeling good about themselves and said that this would enhance their ability to keep earning in the future. Others spoke of their competence in managing the household finances — the fact that they had survived on less before gave them confidence to do so again in the future. Those who said they were "extremely" confident were more likely to cite this attribute.

Personal Values

These included a variety of attributes, including the desire to work and set a role model for their children and feelings of ambition. Some indicated that they now had a "taste" for better things like better housing.

> Extremely confident because it is a new chapter in my life. I think that in the three years I was on the program, it built up my confidence and my self-esteem so much and now I don't think that this job is enough for me. It's like I know I can reach out there and get more and do other things.

Those who said they were "not very" confident tended to lack feelings of financial security. Several also felt their jobs were insecure, and several spoke of jobs that paid poorly and did not seem to offer hope of advancement in the future. They seemed to have little social capital to draw upon. Interestingly, some spoke of the same kinds of barriers as those with more confidence, and some made more money as well, but they seemed less resilient. While some had seemingly insurmountable issues indeed, like high debt loads (tax bills, bank loans, credit card balances), marriage breakdown, or high medical costs, it may be that others were simply unable to see a way out of their dilemma.

> Without SSP I would be in pretty dire straits. Because when your rent is $950 and you've got food and hydro on top of that, the telephone. And then the kids want to do things, there's not much left. I don't do that much. I don't take holidays; I don't go anywhere. I just stay home and watch TV, sort of thing. . . . If I'm

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Independence from Income Assistance

The third wave of SSP surveys, administered 36 months after random assignment, asked participants whether they thought they would be collecting income assistance one year in the future, or shortly after the time that entitlement to the supplement was to end for many. Among the cliff survey sample there was an almost unanimous response of no (97 per cent).

Undoubtedly, this rejection is related to their confidence in the stability of their employment. When asked if they felt they would be employed in one year's time, nearly 99 per cent responded positively (93 per cent full time, 5 per cent part time).

This issue was explored further during the cliff study focus groups, for many only six months before the entitlement to the supplement would end. When participants were asked whether they thought a return to welfare was "very," "somewhat," "not very likely," or "not likely at all," an overwhelming majority thought the possibility of such an event was unlikely, with the largest proportion — roughly two thirds — saying this was "not at all likely." While there were a few who were thankful to have had the help of welfare when they needed it, most of these women had a strong distaste for being dependent upon the welfare system, whether specifically stated or clearly implied by their insistence that they would not return to this state.

Those who thought it unlikely that they would return to welfare offered various reasons. Many simply envisioned no need. They had good jobs, good income, and confidence in their ability to find other jobs should they lose the ones they had. Others felt confident in their resourcefulness to find other sources of income if necessary. Many also felt that their hatred of welfare would motivate their actions to avoid a return. Remaining free of the system was important to their self-identity.

Strategies for Remaining Self-Sufficient After the Loss of the Supplement

Most participants in the cliff study had given some thought to how they could make up for the impending loss of supplement income, although very few had begun to set these plans in motion at the time of the focus groups, which was, for many, six months from supplement end. Some of the more common strategies are listed below.

Budget

One of the more frequently mentioned strategies for handling the loss of the supplement was cutting back on expenses. Participants mentioned tightening up, cutting out extravagances, and reducing use of credit cards. Others suggested the option of sharing expenses with family.

Savings

Most of the participants who stated that they would rely on their savings seemed aware of the forthcoming supplement expiration date. They appeared to be in healthy financial situations, and several said that they did not spend frivolously. A few planned to bank their remaining supplement payments.

Work

Several participants mentioned employment-related changes to deal with the loss of the supplement, including anticipating pay raises, taking on additional hours, changing positions, or getting a second job.

Change in Current Living Arrangements

Strategies included looking for cheaper housing, returning to parents' home to live rent-free or at reduced cost, and taking a boarder or roommate.

Skills and Education Upgrading

Participants who thought that they would get more training were either already involved in part-time training (night classes) or planning to enrol.

Strategies of the Cliff Survey Sample and Non-cliff Takers Compared

SSP surveys administered 36 months after random assignment included a module that asked participants about anticipated changes in their circumstances and their preparations for the future. Some of these questions related to the strategies just described that emerged in the participant interviews in the SSP cliff study. Table 6.3 provides an indication of the prevalence of these preparation strategies across those facing the cliff, comparing takers in the cliff sample with non-takers who did not make intensive use of it in the six months leading up to the cliff. At 36 months, those in the cliff sample appear to have had more confidence in their ability to retain employment in the future when compared with non-cliff takers (98.6 per cent versus 89.9 per cent respectively). Furthermore, a smaller proportion of those in the cliff sample expected to be on welfare in a year (2.8 per cent versus 12.4 per cent) and to require financial help from friends and family (23.3 per cent versus 30.3 per cent). Non-cliff takers were more likely to have begun looking for a new job or inquiring about higher pay and were expecting to be making more money as well as working longer hours in the future. This finding is likely related to the fact that more non-cliff takers had already begun to experience job loss or reduced hours at the 36-month point. Still, quite a large proportion of those in the cliff sample were expecting to be making more money in a year's time (70.5 per cent) and more than half (53.6 per cent) had begun to look for a new job or ask about a pay raise at 36 months.

Table 6.3: Preparation for the Future at 36 Months After Random Assignment

Question/Strategy	Non-cliff Takers (%)	Cliff Sample (%)
Thinks will be working in one year	89.9	98.6
Thinks will be on income assistance in one year	12.4	2.8
Expects to move in next year	30.3	25.6
Expects to be making more money in next year	76.1	70.5
Has started looking for new job / asked employer about a raise	61.5	53.6
Expects to have more hours of work in one year from now	71.8	43.9
Will need financial help from friends / family in next year	30.3	23.3
Expects kids to help with finances in next year	20.2	25.0
Sample size	451	360

Source: 36-month follow-up survey.

Notes: A member of the "cliff sample" is a supplement taker who received supplement payments in five of the last six months of supplement eligibility. A non-cliff taker is a supplement taker who received payments in fewer than five months during the same period.

Sample sizes may vary across rows because of missing values.

WHAT WERE THE CONSEQUENCES OF ENCOUNTERING THE CLIFF?

The discussion so far has focused on anticipation of the cliff. This section explores the consequences for supplement takers of having encountered the cliff and the end of supplement entitlement. Were participants in the cliff sample able to maintain their full-time employment? Did they remain self-sufficient and independent from welfare? How did their expenditures change in the context of their reduced income? Did they experience increased hardship? These are important questions, and the answers to them will not only help to reveal the effect of enforced supplement expiration on individuals but also help to explain the pattern of SSP impacts observed in the previous chapters.

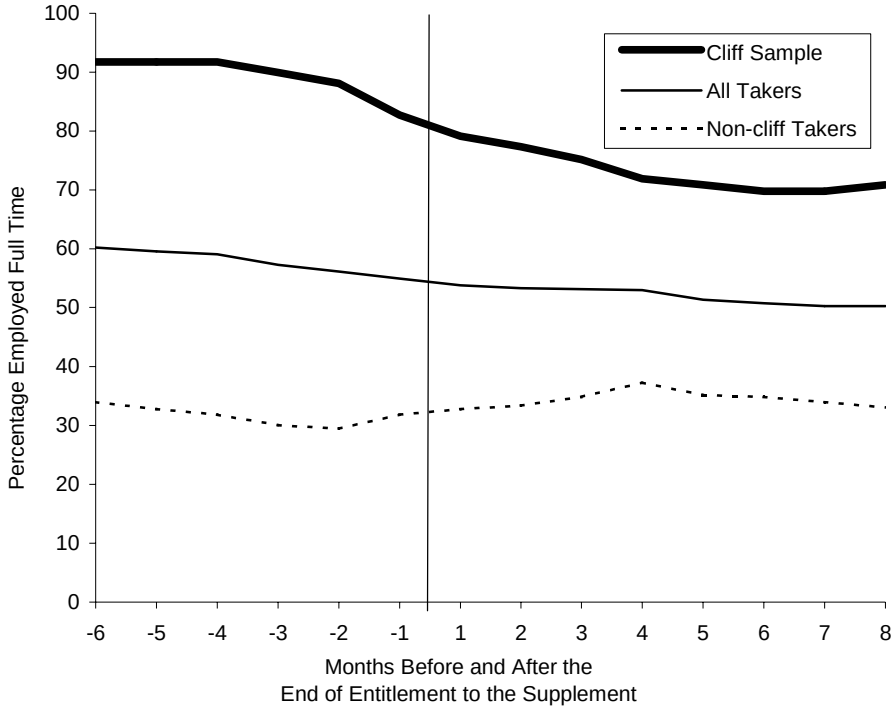
As part of the cliff study, in-depth interviews were completed with a group of participants four months before supplement entitlement ended and eight months after. Fifty-two participants took part in the initial focus groups and in-depth interviews prior to the cliff. Forty-four of these same participants completed an in-depth interview after the cliff. The consequences of the cliff can be seen in the comparisons below using the cliff study sample, which are supplemented by a longitudinal analysis using results from the 36- and 54-month follow-up surveys as well as administrative records of the use of income assistance.

Employment and Self-Sufficiency

Among those participants who took part in the cliff study in-depth interviews before and after the cliff, two thirds (68 per cent) were still employed full time eight months after their entitlement to the supplement expired. The remaining participants were either working part time, with or without an IA top-up, or were unemployed and receiving income assistance (or Employment Insurance). A more detailed look at changes in full-time employment and IA receipt throughout the period leading up to and following the cliff is possible with data from the 36- and 54-month follow-up surveys along with administrative records of IA use. Figures 6.6 and 6.7 present full-time employment and IA receipt respectively, for the six-month period before and the eight-month period after the expiration of entitlement to the supplement. Results are shown for all supplement takers, the cliff sample, and non-cliff takers.

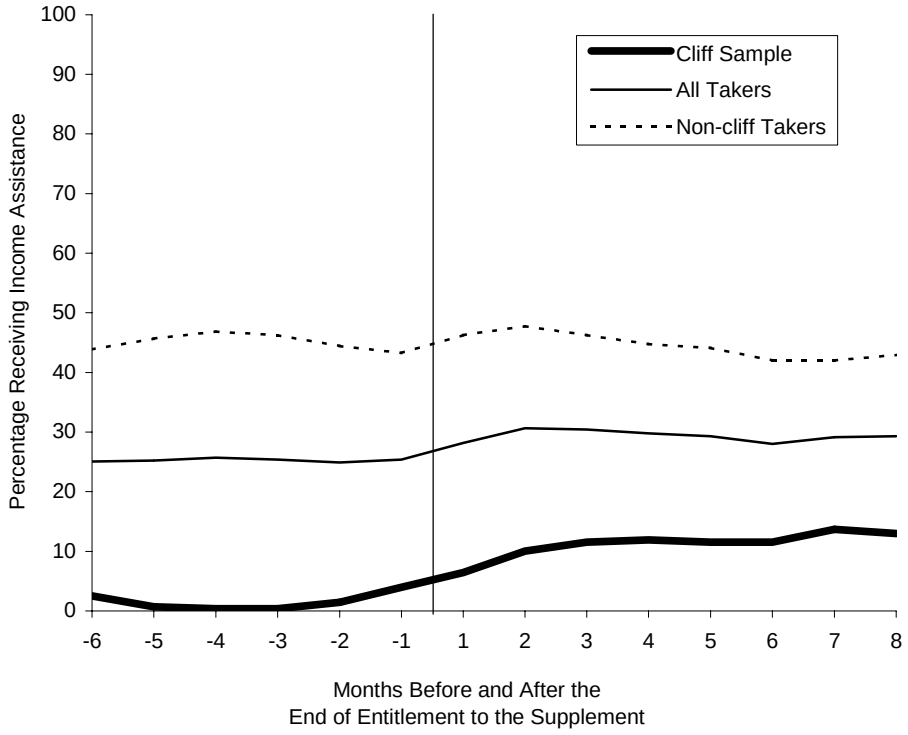
The pattern of full-time employment among all supplement takers was apparently quite stable. There was only a gradual decline throughout the period when the supplement expired. However, decomposing this group into the cliff sample and non-cliff takers reveals a difference in the trajectories of full-time employment. The percentage of non-cliff takers employed full time actually increased from 29 per cent two months before the cliff to 37 per cent four months after the end of their entitlement to the supplement. By contrast, the cliff sample experienced a decline in full-time employment — a 20-percentage-point drop — beginning four months before and ending six months after the cliff. The explanation for the divergence is partly that non-cliff takers were a heterogeneous group with respect to the month that they experienced job loss (along with supplement loss) and with respect to the month they subsequently regained full-time employment. Non-cliff takers had experienced job loss throughout their three-year eligibility period and therefore exhibited no unusual decrease in full-time employment when the supplement expired. However, the cliff sample was composed primarily of intensive supplement users, who ended their supplement receipt at the same time — at the cliff.

Figure 6.6: Full-Time Employment, by Months Before and After the End of Supplement Entitlement



Source: 36-month and 54-month follow-up survey data.

Figure 6.7: IA Receipt, by Months Before and After the End of Supplement Entitlement



Source: Income assistance administrative records.

This distinction is relevant to the observed pattern of SSP experimental impacts on full-time employment. The cliff — enforced supplement loss — was an important feature of the design. As illustrated in Chapter 3, the gradual decline in impacts observed after a year following random assignment was attributable both to ongoing job loss among supplement takers and to members of the control group gradually leaving income assistance for full-time employment. Although the decline in impacts appears gradual from months 13 through 52 after random assignment (Figure 3.1), the job loss that contributed to these declining impacts was not necessarily always spread out and unrelated to the end of supplement entitlement. The cliff was encountered typically in months 37 through 49 following random assignment, in some cases through to Month 55 (depending on when supplement receipt was initiated).[3] As a result, the decline in full-time employment for the cliff sample observed in Figure 6.6, which occurred over a 10-month period (encompassing the cliff), when presented on a scale based on months from random assignment was in fact spread over as much as an 18-month period. Using random assignment as the reference point gives the appearance that there was no decline in employment related to the cliff, when in fact, for some, job loss occurred at the same respective point in time — leading up to and after the expiration of the supplement. The relevance of the cliff to the pattern of observed impacts is, however, moderated by the fact that the cliff sample makes up only slightly more than 15 per cent of all program group members.

Although the end of the supplement preceded a decline in full-time employment for some, over 70 per cent of the cliff sample were still employed full time eight months after the cliff. Figure 6.7 also reveals that IA receipt among the cliff sample rose by less than 10 percentage points after the end of the supplement. The fact that a significant majority of these participants remained in full-time employment, with few in receipt of income assistance, may demonstrate that adjusting to life without the supplement was ultimately manageable.

Expenditures and Hardship

How did participants in the cliff sample, who relied on the supplement as a major source of income, handle this reduction in income following loss of the supplement? Did it affect their expenditures? Were cutbacks necessary? What types of expenditures, if any, were reduced? Did they experience increased hardship as a result?

Table 6.4 presents measures of expenditures and hardship using survey data from the 36- and 54-month follow-up interviews. The period from Month 36 to Month 54 spans, for most participants, the point when the supplement expired. Results are presented for all cliff sample members, followed by a breakdown by province. Clearly, there were relatively large changes in expenditures on eating out as well as on items such as on the participants' own clothing and clothing for their children (around a 30 per cent reduction in expenditures on each). However, there were no statistically significant increases in hardship measures — use of food banks, difficulty getting groceries, or problems with paying hydro or gas. Apparently, participants compensated for the loss of supplement income, in addition to experiencing increases in other income sources and reduced expenses, by depleting their savings and increasing their level of debt. In the entire cliff sample, the proportion of sample members with no savings increased from less than one in five (20 per cent) at Month 36 to almost a

[3] Although program group members had one year to initiate the supplement by finding a full-time job, some did not begin receiving it until after Month 12 because of a delay in the start date of their job or of receipt of their initial payment from the employer. As a result, their 36-month eligibility period started after Month 12 and ended after Month 48.

third (30 per cent) at Month 54. Credit card debt amounts increased by 43 per cent from Month 36 to Month 54, and other outstanding debt amounts excluding mortgages increased by almost a third (31 per cent).

Table 6.4: Changes in Expenditures, Hardship, and Assets From 36 to 54 Months After Random Assignment for the Cliff Sample, by Province

	Total		British Columbia		New Brunswick	
Outcome	36-Month	54-Month	36-Month	54-Month	36-Month	54-Month
Expenditures ($/month)						
Spending on groceries	409	388	438	426	387	358
Spending on eating out	84	59	84	57	84	60
Spending on children's clothing	62	44	65	40	60	48
Spending on own clothing	25	18	27	18	23	18
Rent	487	514	619	653	372	394
Hardship (%)						
Used food bank last 3 months	3,0	5,0	3,6	6,0	2,5	4,0
Couldn't get groceries	16,5	17,9	21,7	22,3	12,1	14,1
Gas or hydro turned off	1,1	1,7	1,2	1,8	1,0	1,5
Money in bank						
Amount of money in bank ($)	519	498	652	584	418	433
No money in bank (%)	18,7	30,2	14,1	25,2	22,2	33,9
$1–$499 in bank (%)	52,7	47,9	52,6	48,9	52,8	47,2
$500 and above in bank (%)	28,6	21,9	33,3	25,9	25,0	18,9
Debt						
Balance owing on credit cards ($)	655	939	751	1 096	573	806
Amount owing on car ($)	1 097	1 175	1 526	1 520	721	872
Other debt excluding mortgage ($)	2 091	2 734	2 087	2 490	2 094	2 942
No debt (%)	27,9	24,6	22,8	23,4	32,6	25,7
Debt of $1–$2,499 (%)	34,2	25,8	34,2	26,6	34,3	25,1
Debt of $2,500 and above (%)	37,8	49,6	43,0	50,0	33,1	49,1
Sample size	364		166		198	

Sources: 36-month and 54-month follow-up survey data.

Notes: A member of the "cliff sample" is a supplement taker who received supplement payments in five of the last six months of supplement eligibility.

Sample sizes may vary across rows because of missing values.

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

Sample members were asked at each interview how much they spent in an average week on each of these items. Food expenditures were converted to monthly estimates by assuming 4.33 weeks per month. For other items, the precise questions as asked in the 54 month survey were as follows. For use of a food bank: "In the past three months have you or other members of your family used a food bank to obtain groceries for your household?" For children's clothing: "On average how much do you and your family spend each month on children's clothing?" For monthly rent: "What do you and your family pay towards your monthly rent or mortgage?"

There was little difference between cliff sample members in British Columbia and those in New Brunswick in terms of the change in reported hardship after the end of the supplement. Those in British Columbia might have experienced a higher degree of hardship than those in New Brunswick (as measured by the proportion that reported they could not get groceries on one or more occasions), but this hardship was observed before and after the cliff. No statistically significant change in hardship was observed for cliff sample members in either province. However, the methods for handling the reduced income differed somewhat, in that participants in New Brunswick reduced their expenses to a lesser extent and incurred higher levels of debt. Although credit card debt increased by a similar proportion for cliff sample members in the two provinces, car debt was unchanged in British Columbia but increased by

21 per cent in New Brunswick, and other debt (including mortgages) increased by twice as much in New Brunswick as in British Columbia. Prior to the end of the supplement, other debt levels were virtually the same in both provinces ($2,087 and $2,094 for British Columbia and New Brunswick respectively). However, between the 36- and 54-month interviews, other debts increased by over 40 per cent in New Brunswick, compared with only 20 per cent in British Columbia. Furthermore, the proportion of participants with zero debt decreased in New Brunswick from a third to a quarter of cliff sample members but was stable in British Columbia (23 per cent of cliff sample members had no debt before and after the cliff). In light of the fact that participants in New Brunswick lost a higher proportion of their after-tax income when the supplement expired, the increases in debt are not surprising.

Results from the cliff study in-depth interviews confirm many of the above results. Of the 44 cliff study members who participated in both in-depth interviews

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hardship, measured on a number of dimensions:

- Fewer cliff study members reported that they were having difficulty meeting basic expenses on necessities now that the supplement ended, where they did not have difficulty before;
- There was virtually no use of food banks, before or after the cliff (one person reported using a food bank after the supplement loss);
- Fewer reported receiving used or free clothing; and
- Fewer reported having to rely on others for non-monetary sources of support.

There were increases in the use of a number of coping strategies for handling the reduced income:

- One in five reported that they were having to borrow from friends and family, where they had not done so before;
- Many reported that they needed to leave regular bills unpaid for a period of time — usually phone and cable — to meet their budget, where they had not done so in the past; and
- One in five reported that after the supplement ended they attempted to earn extra money by working additional hours, getting a part-time job, or starting a small business.

In-depth interviews allowed for a closer examination of participants' financial budgets than was permitted with either the 36- or 54-month follow-up surveys. In addition to the reductions in expenditure on food, a decline in expenses was observed in several additional categories, including transportation, child care, and health-related costs. For many, a reduction in these expenses was not precipitated by the loss of the supplement; rather the declines occurred as a result of job loss. Without full-time employment, a drop in transportation and child care costs can be expected. This was also the case for declines in health-related costs, including life, medical, and dental insurance premiums, which for many were acquired and paid through their employers. At the same time, there was a significant

decrease in expenditures on visits to health practitioners that were not covered by provincial medical insurance.

On average, total expenses fell by about 16 per cent among those who took part in in-depth interviews before and after the cliff. Although income fell by over 30 per cent because of the loss of the SSP supplement, the
earnings, income assistance, the Child Tax Benefit and miscellaneous sources — that appear to have offset about half of the decline resulting from the loss of the supplement. There was no statistically significant change in net income after expenses. For many, the combination of reduced expenditures and increases in other income sources appear to have maintained their net budgetary balance at its pre-cliff level. There was also no change in the proportion of participants who reported having a negative net income after expenses. Approximately a quarter of those interviewed reported a negative balance in both pre- and post-cliff interviews. Although there were no statistically significant changes in savings or debt levels among those who participated in in-depth interviews, perhaps because of the small sample size, many carried substantial debt loads. Debt seemed to be an ongoing problem for many participants, starting long before the expiration of the supplement.

WHOM DID THE CLIFF HIT HARDEST?

Overall, most takers who experienced the cliff were able to compensate for the supplement loss with increases in other income sources, through tighter budgeting, and with the use of savings, although there were in many cases substantial increases in debt levels. Most experienced no major increase in hardship. However, in-depth interviews and focus groups revealed that there were participants, albeit a minority, who were vulnerable and experienced significant hardship from the loss of the supplement. Those with partners or with jobs above minimum wage tended to fare better. Even when participants had minimum-wage jobs, were single, or had significant expenses related to unusual events such as illnesses, in many cases they were still able to cope. It appears that when participants had more than one of these characteristics — that is, no partner contributing to income and a minimum-
supplement loss.

Chapter 7:
Benefits and Costs of SSP

The preceding chapters describe how SSP increased the employment and earnings of its participants while decreasing their poverty and reliance on income assistance (IA). This chapter presents an analysis of the costs and benefits of providing the services that produced these positive results. It starts by outlining the costs of operating the SSP program in two provinces and then examines the financial benefits of the program, providing an assessment of the net benefits and costs of the program from three perspectives: the participants in the SSP program, the government budgets, and society as a whole.

The chapter estimates the benefits and costs of the program by examining the outcomes that are measured in previous chapters, such as earnings, IA benefits, and SSP benefits. It also expands on these direct effects and considers associated costs and benefits such as program operation expenses, income and sales taxes, Employment Insurance (EI) benefits, fringe benefits from employment, and transitional benefits such as child care subsidies and transportation allowances.

The benefit-cost analysis presented in this chapter addresses the following questions:

- What were the costs of the various individual components of SSP, including operating the program and the supplement payments?
- What was the cost of SSP to the government, over and above the cost that would have been incurred in the absence of the program?
- From the perspective of welfare recipients in the program, did SSP result in net financial gains or net losses?
- From a government budget standpoint, did SSP result in net costs or net savings?
- From the perspective of society as a whole, did SSP result in net financial gains or net losses?

SUMMARY OF FINDINGS

- SSP increased financial well-being and reduced poverty for families in the program group. SSP successfully increased families' financial well-being, including increased income from earnings, fringe benefits, and SSP payments. SSP also reduced the number of families with income below the poverty line. Over five years, SSP produced an average financial gain of $5,256 for members of the program group — over $1,050 per year. In addition to these important financial effects, there is some evidence that SSP decreased material hardship and improved children's performance in school.

- The cost of SSP was modest compared with several other recent successful welfare-to-work programs that offered financial incentives. The cost of SSP payments and program operations was relatively low, given the positive results for families. Recent programs that supplemented earnings for those who left welfare for work have been much more expensive.[1] After accounting for all costs and benefits, SSP cost the government only about $2,700 more than income assistance for each program group member over a five-year period. The bulk of the cost of SSP came in the form of supplement payments. However, the financial gains to the government from increased income taxes made up for most of the losses in increased transfer payments.

- SSP was a very efficient way to transfer income. Economists have estimated that transfer programs may require $1.50 in spending for each $1 gained by families.[2] In comparison, the financial gains to families in SSP were much larger than the losses to the government per program group member. For each $1 of financial gain to families, the cost to the government was only 51 cents.

- SSP was more efficient in New Brunswick than in British Columbia. The financial gains to families relative to government costs were higher in New Brunswick than in British Columbia. Over five years, SSP families in New Brunswick on average experienced a financial gain of over $5,000, while the cost of SSP was only $1,660 more than income assistance per program group member. In contrast, financial gains to the families in British Columbia totalled about $5,300 but losses to the government were nearly $3,500.

- From the perspective of society as a whole, SSP's benefits outweighed its costs. Costs to one person may be benefits to another person. For example, SSP supplement payments cost the government money, but provided vital income to many poor families. This analysis presents benefits and costs from three different perspectives: SSP program group members, the government, and society as a whole. The federal and provincial governments spent about $2,700 per program group member on SSP, over and above what would have been spent for income assistance if no program group member had left income assistance for SSP. The extra spending increased the total income of program group members by $5,256 on average (again, compared with the income of the average control group member).[3] Thus, SSP provided a benefit to society of more than $2,500 per program group member.

[1] See Bloom et al., 2000; Miller et al., 2000.

[2] See Burtless, 1987, 1994, for a discussion of efficiency of transfer programs.

[3] Total income in the benefit-cost analysis includes earnings and fringe benefits as well as cash transfer payments from SSP and income assistance. Average earnings and cash transfer payments in the benefit-cost analysis do not match numbers shown earlier in the impact analysis for two reasons. First, the benefit-cost analysis projected earnings over a five-year period, while the follow-up surveys used for the impact analysis covered only four and a half years. Second, results in the benefit-cost analysis were adjusted for inflation and for the notion that income gains early in the program could be invested and therefore were more valuable than income gains later in the period.

BACKGROUND

An earlier report presented the initial costs of operating the program and administering the SSP supplement for the first 15 months of program operations (Mijanovich & Long, 1995). The analysis presented in this chapter expands on the earlier work by examining the costs of the program for the entire follow-up period.[4] This chapter further expands on the earlier work by accounting for the benefits incurred through increased employment and taxes and decreased income assistance receipt.[5] The costs presented in this chapter do not include start-up costs or costs related to the research or evaluation of SSP.[6]

This chapter presents the program's net costs per program group member — that is, the costs and benefits of SSP, over and above the costs and benefits that would have been incurred in the absence of the program, through the IA system. Net costs and benefits are presented for a period of five years. Most of the costs in this chapter were estimated using expenditure data from a "steady-state" period from April 1994 to March 1995. This fiscal year was chosen because it was a period of relatively stable program operations. As is true in chapters describing the program's impacts, data for program and control group members, not just those who took up the SSP supplement, were included in calculating the gross and net costs of the program.[7] Moreover, the analysis presented in this chapter includes estimates for the SSP recipient study only.[8] It does not include costs incurred by sample members of the SSP applicant study of new welfare recipients or costs for the SSP Plus group members, who received a range of employment services in addition to the financial incentives of regular SSP.

This analysis focuses primarily on those benefits and costs incurred directly through offering the earnings supplement. SSP did not offer any other services such as job search or child care, apart from providing basic information about the supplement and about services in the community through the IA program that were equally available to control group members. Although SSP did not offer any of these types of services, it is plausible that there would be costs to the outside agencies that provide employment-related services and child care subsidies because of the increased employment experienced by members of the program group. This analysis does include an estimate of the differential cost of child care subsidies for program and control group members but does not capture any costs associated with changes in use of employment or training services that may have occurred.[9]

The goals of SSP differ from many prior welfare-to-work initiatives in ways that are important to the benefit-cost analysis. In many prior initiatives, the primary goal of the programs was to move people from welfare to work and produce welfare savings that would "pay for the program." SSP was designed to encourage welfare recipients to work while

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[4]The follow-up period for this report ranges from four years and four months to five years, depending on the date of the 54-month survey interview.

[5]The costs for program operations may differ somewhat from those presented in the earlier report for several reasons. For example, the earlier report focused on an early cohort of sample members randomly assigned during the first year of program operations. In addition, the data used for the earlier report extended only through March 1995. Data used in this chapter extend through December 2000.

[6]The federal government funded the demonstration and evaluation of SSP.

[7]The earlier cost analysis of SSP (Mijanovich & Long, 1995) presented some cost estimates of program operations for supplement takers compared with non-takers.

[8]A recipient is defined as a person who had been on income assistance for at least a year at the time of random assignment.

[9]There was a small impact on job-search and life skills workshops at the 18-month point, but this impact did not persist for the remainder of the follow-up.

simultaneously making them better off financially by providing them with a generous earnings supplement when they went to work. The supplement was offered in order to offset any losses in social assistance that people experienced when leaving welfare for work. Although an earnings supplement program is potentially expensive, policy-makers and program designers felt that the short-term increased cost of the supplement was worth the potential decrease in poverty, improvement in financial well-being, and valuable work experience gained by recipients who went to work and took up the supplement.

ANALYTICAL APPROACH

The analytical approach used in this benefit-cost analysis is similar to the approach used in previous MDRC evaluations.[10] The general approach is to place dollar values on SSP's effects and its use of resources wherever possible, either by directly measuring them or by estimating them. This benefit-cost analysis incorporates positive and negative financial estimates even when they do not reach the level of statistical significance, because they nonetheless represent the best estimates available.

Data Sources

In addition to SSP's effects on earnings, income assistance, SSP payments, and EI, the benefit-cost analysis uses data on fringe benefits, taxes, child care subsidies, and program operating costs. SSP's effects on earnings were measured using data collected from surveys of sample members randomly assigned as part of the SSP project. Effects on income assistance and EI were measured using data collected from administrative records kept by the federal government and the provinces of New Brunswick and British Columbia. The program's effects on SSP payments were measured using data collected from the program's payroll office in Halifax, Nova Scotia. SSP's effects on fringe benefits, federal and provincial taxes, tax credits, and child care subsidies could not be measured directly but were imputed from survey and administrative records data. Data on the costs of operating the SSP transfer program were estimated using expenditure reports from the SSP program offices for fiscal year 1994–95. Data on the costs of operating the IA program could not be measured directly but were imputed from annual reports and other sources from the provincial governments.[11]

Accounting Methods

The benefit-cost estimates cover a five-year time period starting with the month of random assignment (Month 1). This five-year period includes an observation period and a projection period.

The observation period is defined as the period of time for which program effects can be directly measured using available data. For the SSP evaluation, earnings data are available through the month of the final survey interview, while SSP payments and IA data are available for a full five years. However, for consistency across data sources, tables in this

[10] Many of the techniques were originally developed for the benefit-cost analysis conducted as part of MDRC's Demonstration of State Work/Welfare Initiatives (for additional information, see Long & Knox, 1985). This report's description of the analytical approach was adapted from previous MDRC reports (Riccio, Friedlander, & Freedman, 1994; Kemple, Fellerath, & Friedlander, 1995; Miller et al., 2000; Bloom et al., 2000). Minor distinctions were introduced in this analysis to accommodate the data that were available and the unique features of SSP.

[11] Annual reports for the 1994–95 fiscal year were used in New Brunswick and annual reports for the 1995–96 fiscal year were used in British Columbia.

chapter that show effects for the "observation period" alone include only data from the month of random assignment through the month of the family's last survey interview, which ranges from four years and four months to five years after random assignment.[12]

The projection period is the time period between the last month of observed data and 60 months. This period varies by data source, for earnings and related data such as taxes and fringe benefits, it ranges from zero to eight months, depending upon the family's survey date. For IA and SSP payment data, all sample members have at least five years of data, so that no projection of effects is necessary.[13]

The benefit-cost estimates presented in this chapter are expressed in terms of net present values per program group member. The "net" in net present value means that, like the impacts, the estimated amounts represent differences between estimates for program group members and for control group members. The estimates are in "present value" terms because the accounting method of "discounting" is used to express the dollar value today of program effects that occur in the future.[14] All benefit-cost estimate amounts in this chapter are expressed in 2000 dollars, eliminating the effects of inflation on the values.[15]

Analytical Perspectives

An important aspect of benefit-cost analysis of government programs is determining who bears any costs or benefits from the program. A program's effects can sometimes be gains from one perspective and losses from another. For example, a decrease in income assistance is viewed as a financial loss from the perspective of the program group but a gain from the perspective of the government's budget. This trade-off makes it important to consider the perspectives of all the directly affected groups when assessing each main program effect. The analysis presented here includes the net benefits and costs of SSP from the perspective of each of the following groups: SSP program group members, the government budget, and society as a whole. Table 7.1 shows how the expected financial effects of SSP are seen from each of these three perspectives. The main financial effects are shown as a gain (+), a loss (-), or neither a gain nor a loss (0), according to expectations regarding their value.

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[12] When five-year estimates are shown, they include observed values of income assistance and SSP through the full five years, but earnings in the months between the last month of follow-up and 60 months must be imputed. If an interview took place after five years, as happened in 26 cases, only five years of data were used.

[13] The projection period used assumes that the impacts of SSP disappear after five years. In other words, over time differences between program and control group members' earnings decay to zero. This pattern was evident in both provinces.

[14] Although many of SSP's costs were incurred early in the program, particularly in the first three years when SSP was heaviest, some costs and benefits (earnings gains) continued to be realized in later years. Therefore, simply comparing the nominal dollar value of program costs with benefits over multiple years would be problematic, because a dollar's value is greater in the present than in the future: a dollar available today can be invested and may produce income over time, making it worth more than a dollar available in the future. In order to make a fair comparison between benefits and costs over multiple years, it is necessary to determine their value at a common point in time — for example, the present. This determination was accomplished by discounting, a method for reducing the value of benefits and costs accrued in later years relative to benefits and costs accrued in early years. In the SSP analysis, the end of each sample member's first year following random assignment was used as the comparison point for the investment period. Gains that were accrued after that point were discounted to reflect their value at the end of Year 1. In calculating these discounted values, it was assumed that a dollar invested at the end of Year 1 would earn a real rate return of five per cent annually.

[15] Estimates are expressed in constant dollars by using GDP implicit price deflators from Statistics Canada.

Table 7.1: Examples of Costs and Benefits of SSP, by Accounting Perspective

	Accounting Perspective		
Component of Analysis	Program Group	Government Budget	Society
Employment			
Increased earnings and fringe benefits	+	0	+
Increased tax payments	–	+	0
Transfer payments			
Increased SSP payments	+	–	0
Decreased IA payments	–	+	0
Increased EI	+	–	0
Program operating and administrative costs			
SSP operating costs	0	–	–
Increased administrative cost of SSP payments	0	–	–
Decreased administrative cost of IA payments	0	+	+
Use of other supports for work			
Increased child care subsidies	+	–	0
Increased transportation/Transition to Work allowances	+	–	0

The program group's perspective identifies net gains or losses for members of the program group — how they fared as a result of the program. As is shown in Table 7.1, the program group should experience financial gains from increased earnings, SSP payments, supports for work subsidies, and possibly increased EI payments. On the other hand, there may be financial losses for this group in terms of higher income taxes and decreased income assistance. If the benefits from earnings and other supports exceed the value of higher taxes and decreased income assistance, the program may be considered a net financial gain from the standpoint of the program group. However, this calculation does not take into account nonfinancial gains or losses that may have value for program group members.

The government budget perspective identifies the combined gains and losses incurred by the federal and provincial governments that fund such programs. For example, the SSP evaluation was funded by the federal government, but it is likely that if fully implemented such a program would be funded and run as a provincial government program. Although this analysis does not attempt to account for transfers from the federal government to the provincial governments (such as the Canada Health and Social Transfer [CHST]), it does present benefits and costs for the federal and provincial governments separately in a later section. Gains to the government budget occur through reduced income assistance, increased income and sales taxes, and possible decreases in tax credits for low-income families.

The perspective of society as a whole combines the perspectives of two groups: the program group and those outside the program (the taxpayers who fund the federal and provincial government budgets). For a given component, a net gain to society occurs only when a gain to one group is not at the expense of another group. For example, Table 7.1 shows that a gain from earnings and fringe benefits would benefit the program group but is neither a benefit nor a cost for the government budgets; thus the net result is a gain for society. A net loss to society occurs when a loss from one perspective is not a gain from another. For example, the operating cost of SSP represents a cost to the government budgets, but these costs have no direct financial effect for the program group; this is considered a cost to society. Program effects that constitute a net gain from one perspective but a net loss from

another are considered transfers that have no financial consequences from the societal perspective. For example, the payments from SSP and income assistance represent a gain for the program group members who receive them but a cost to the government budget.

When adopting the societal perspective, it is assumed that the value placed on a dollar lost is equivalent for each of the groups. This assumption may not be valid. Typically, participants in programs such as SSP have much lower incomes, on average, than the average taxpayer. Thus, it is likely that a dollar is worth more to a member of the program group than it is to the average taxpayer who funds the government budgets. Nonetheless, this analysis treats each dollar the same, no matter to whom in society it accrues.

Limitations of the Analysis

This analysis accounts for the major financial effects of SSP, but limitations remain. First, the costs presented in this chapter include the costs of SSP and IA program services. While the analysis would have been more complete if it included costs of outside services such as job search or employment-related training and education whose use could have been affected by SSP, cost estimates for these outside services were not available. There was no impact on education at any point in the follow-up. There was a small impact on job-search workshops at the 18-month follow-up point, but this impact did not persist, and the impact on job-search workshops does not suggest that SSP increased costs to outside agencies that provided employment services.

Second, although the estimates reflect the best data available, they should be considered only approximations. SSP was designed and run as an independent program, completely separate and apart from any government-run programs. The program staff and the elaborate computer systems were serving only SSP participants. If SSP were run as part of — or in place of — another government program such as income assistance, the operating costs would likely be lower because of economies of scale.

Third, not all of the effects of SSP are measurable in dollars. There are other kinds of outcomes that were affected by SSP, such as family and child well-being. This analysis does not account for these types of nonfinancial effects, but readers should take them into account when assessing the overall value of the program. Moreover, there may be effects of SSP that were not measured in any way or that the researchers are unaware of. For example, it is possible that other workers were displaced as a result of the increased employment of program group members; such displaced workers may have become unemployed or may have accepted lower-paying jobs. Similarly, there may be indirect, long-term nonfinancial benefits brought on by increased work experience and financial stability.

The next section of this chapter describes the major components of the analysis, followed by a discussion of the costs of operating SSP and administering the supplement payments. The chapter then describes the financial benefits of SSP for the observation period and ends with a discussion of the net benefits and costs of the program from each of the perspectives described earlier.

COSTS OF SSP FOR THE OBSERVATION PERIOD

Figure 7.1 illustrates the main components of the SSP cost analysis. It shows that the gross cost of SSP for each program group member (Box D) is made up of three main components: expenditures on program operating costs (Box A), expenditures on transfer payments (Box B), and expenditures for supports for work (Box C).

The costs that would have accrued to the government for SSP sample members in the absence of SSP are represented by the control group. These costs are shown in the second column. The gross cost for each control group member (Box H) is made up of three main components: expenditures on IA operating costs (Box E), expenditures on IA and EI transfer payments (Box F), and expenditures on support services (Box G).

The net cost of SSP — that is, the cost per program group member — is shown in Box N. The net cost is obtained by subtracting the gross cost per control group member (Box H) from the gross cost per program group member (Box D).

This section presents estimates of the cost of SSP per program group member during the observation period. It will show the variation in the costs of SSP across program components and support services. This information may be useful to administrators and planners who want to understand the nature of the government's investment in SSP. For example, by examining the costs presented in this section it is possible to determine which pieces of the program account for most of SSP's costs.

SSP Operating Expenditures

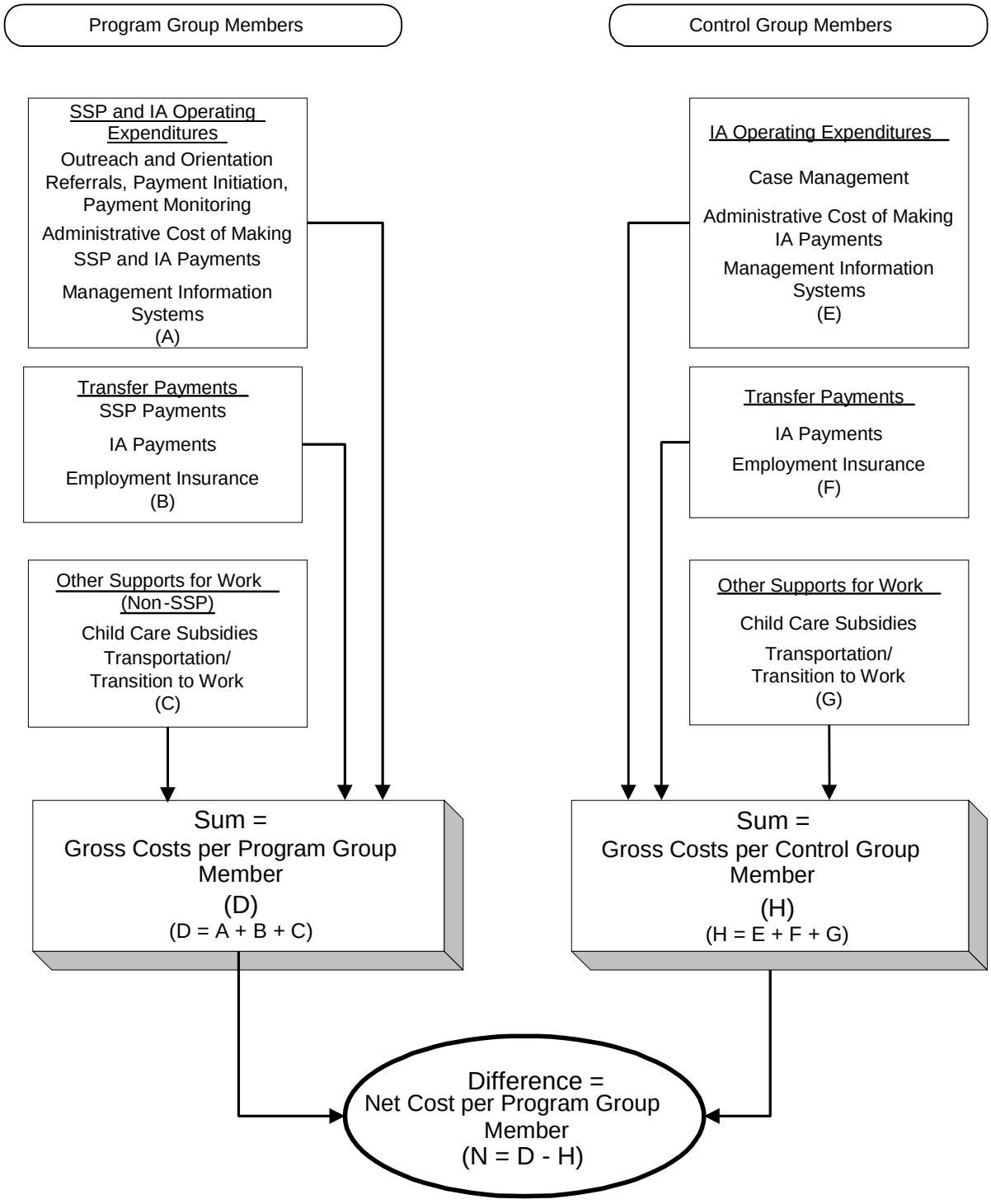
SSP operating expenditures cover costs for all program group members and are allocated across four main program activities: outreach, orientation, pre-supplement activities, and supplement initiation and payment-related activities. The average cost per program group member was calculated first by estimating a unit cost — the cost per participant (for one-time activities) or per month of participation (for ongoing activities). The unit cost includes staff time spent operating the activity and any associated overhead costs, including office expenses and management.[16] The unit cost was then multiplied by the participation rate (for one-time activities) or the average number of months of participation (for longer-term activities).[17]

Table 7.2 presents the estimated unit and gross costs of operating SSP per program group member. The total operating cost averaged $1,267 per program group member. SSP was somewhat more expensive to operate in British Columbia than it was in New Brunswick: on average, $1,367 per program group member, compared with $1,127. It is not surprising that operating costs were more expensive in British Columbia, given that the two economic markets are so different. For example, costs for the subcontractors, equipment and maintenance, and leases were all more expensive in British Columbia than in New Brunswick.

[16] Office expenses and management were allocated to the various activities on the basis of the percentage of staff time spent on each of the activities.

[17] The average months of participation in a given activity include values of zero for program group members who never participated in the activity. All operating expenditures are adjusted to exclude research-related costs. It was estimated that 10 per cent of staff time was devoted to research-related requirements; this time is not included as part of the cost of program operations.

Figure 7.1: Simplified Diagram of the Major Components of Gross and Net SSP Costs



Outreach

Activities categorized as outreach included all activities related to contacting and talking with program group members prior to their participation in an orientation session. It included staff activities such as writing and sending letters inviting program group members to come to an orientation session to learn more about SSP and the services it offered.

Table 7.2 shows that the average cost of conducting outreach was $25. It was somewhat more expensive in New Brunswick ($31) than in British Columbia ($21). Given that outreach was the initial tool used by staff to inform program group members about SSP and the program staff devised ways to reach all potential participants, either in person or in writing, the participation rate for this component was 100 per cent.

Table 7.2: Estimated Unit and Gross Costs for SSP Program Services, by Province

Expenditures by SSP Offices	Costs per Participant ($)	Average Monthly Cost ($)	Percentage Participating	Average Months Participating	Average Cost per Program Group Member ($)
Total (both provinces)					
Outreach	25	n/a	100.0	one time	25
Group or individual orientation	150	n/a	97.6	one time	146
Pre-supplement contact[a]	n/a	20	100.0	9.9	198
Supplement initiation and payment-related activities[b]	n/a	123	34.0	7.3	898
Total operating costs[c]					1,267
British Columbia					
Outreach	21	n/a	100.0	one time	21
Group or individual orientation	203	n/a	96.5	one time	196
Pre-supplement contact[a]	n/a	20	100.0	10.2	200
Supplement initiation and payment-related activities[b]	n/a	146.52 [d]	32.6	6.5	950 [d]
Total operating costs[c]					1,367
New Brunswick					
Outreach	31	n/a	100.0	one time	31
Group or individual orientation	108	n/a	99.0	one time	107
Pre-supplement contact[a]	n/a	19	100.0	9.6	184
Supplement initiation and payment-related activities[b]	n/a	98	35.3	8.2	806
Total operating costs[c]					1,127

Sources: Calculations from SRDC expenditure reports for fiscal year 1994–95, time sheets prepared by Vinge and Family Services staff, casework and SSP's Program Management Information System (PMIS).

Notes: The costs shown are in 2000 dollars.

These costs are for the observation period. The observation period for each sample member extends from random assignment through the month of the family's 54-month survey interview. These estimates are based on operating expenses incurred from April 1994 through March 1995. This base year was chosen because it is considered a steady-state period of program operations.

[a] It is assumed that those who never took up the supplement participated in pre-initiation activities for 12 months. This assumption underestimates the unit cost for this service but overestimates the average number of months participating.

[b] This cost does not include the actual SSP payments or the cost of administering the payments.

[c] This cost does not include the cost of SSP's PMIS, which is the computer system used to record activities and track cases.

[d] This estimate should be viewed with caution. The average monthly cost of this component is somewhat less if calculated using expenditure data for fiscal year 1996. For consistency across data sources, fiscal year 1995 expenditures are shown here.

Orientation

Orientation included all group and individual orientation sessions, as well as subsequent information sessions. It included staff time spent preparing for and conducting the sessions, traveling to and from group orientation sessions held in locations other than the SSP offices, and making home visits to conduct individual sessions.

Table 7.2 shows that the average cost for group and individual orientation sessions was $150 per participant, which translates into $146 per program group member. Orientation was much more expensive to conduct in British Columbia than it was in New Brunswick. The cost per program group member was $196 in British Columbia compared with $107 in New Brunswick.[18]

Pre-Supplement Contact

Pre-supplement contact included activities that occurred between a program group member's orientation and the time at which she took up the supplement. For those who did not take up the supplement, this would be the 12-year time period in which they could have taken up the supplement. The types of services offered during this period included, for example, information sessions on SSP work requirements and referrals to outside agencies that provided job-search and child care assistance.

The cost for pre-supplement activities was around $200 in both provinces. The average cost per month was about $20, and the average number of months in this pre-initiation phase was about 10.[19]

Supplement Take-Up and Payment-Related Activities

Program activities related to initiating the supplement and settling payment-related issues after beginning to receive the supplement are covered in the fourth row of each panel of the table. These include checking the participants' fulfillment of job requirements and completing supplement voucher requirements each month. The cost shown in Table 7.2 does not include the payments themselves or any administrative costs associated with the payments or the payment office, which was in a different location from the SSP program office.

As is shown in Table 7.2, this was the most expensive component in terms of program operations and costs — $898 per program group member. The cost for post-initiation activities was higher in British Columbia than in New Brunswick: $950 in British Columbia and $806 in New Brunswick.

It may seem somewhat surprising that the payment-related expenses would be so costly, given that there was a payment office in Halifax that was designed to handle any payment-related issues with the participants (recall that the cost presented in Table 7.2 does not

[18] There are several possible reasons for the difference in costs of this component. Some of the difference can be explained by the economic markets in the two provinces. Another possible explanation is related to a difference in the number of orientations conducted in the base year relative to other years in the two provinces; there were fewer orientations conducted in British Columbia in the base year.

[19] For those who took up the supplement, the number of months between their orientation and the date they took up the supplement was defined as the pre-initiation phase. It was assumed that those who never took up the supplement participated in these activities for the full 12 months. This assumption may underestimate the unit cost for this service but overestimate the average number of months of participation.

include any payment office expenditures). However, as the program progressed, the participants became comfortable dealing with their SSP case managers. As a result, they preferred to address any issues regarding their supplement payments with their SSP case managers as opposed to workers at the payment office. Case managers at the site offices therefore spent a significant amount of time on these types of activities. It is likely that these and other operating costs would be significantly lower if SSP were operated as an ongoing government program.

Operating Costs of SSP in a "Real World" Context

Because SSP was a demonstration and evaluation, many of the program office and staffing structures were different from what they would be in a "real world" context. This section outlines some of the ways in which the operating costs observed in the demonstration may differ from what would occur if SSP were operated as an ongoing program.

First, as was mentioned earlier, the SSP demonstration was run completely independently of other government programs. All of the staff, office equipment, and complex management information systems that were developed were paid for by SSP and used exclusively for SSP-related functions. If SSP were run as an ongoing government program either the expenses and resources would be shared by other programs or the services would be subcontracted out to existing community agencies.[20]

Second, staff-to-participant ratios may differ somewhat in an ongoing program. SSP was generously staffed, partly to prepare for the possibility of a high take-up rate and partly to handle the large task of orientation. When orientation was completed, staff levels were not reduced initially. Therefore staff had more time to work with participants who eventually took up the supplement, as well as those who did not. It is important to note that the "extra" time staff spent with clients in SSP could have contributed to the positive effects of the program.

Third, because of the nature of the demonstration and evaluation of SSP, many of the tasks performed by staff were very comprehensive and perhaps more extensive than might be found in an ongoing program. Examples include the in-home orientation meetings with participants prior to supplement initiation and the comprehensive verifications of employment at initiation and after participants started to receive supplement payments. Other examples include the extremely detailed and frequent notes kept by staff on the information systems and the follow-up contacts with participants who lost their jobs after initiating the SSP supplement payments, reminding them of the option to go back to work and continue receiving the supplement.

It is important to keep in mind that some of the additional attention and services offered to participants in SSP were part of the design of the program and likely contributed to its positive effects. Without these added services and, as a result, costs, the program might not have produced the same results.

[20]Start-up costs related to the development of the program and the program management information systems are not included as part of the costs presented in this analysis.

Transfer Payments and Administrative Costs of Payments

Transfer payments were cash assistance payments made to program and control group members throughout the observation period. For program group members, cash assistance could include the SSP supplement and IA payments. For the control group, transfer payments included IA payments but not the SSP supplement. For both groups transfer payments also included EI payments.

The administrative cost of SSP payments included expenses associated with administering the supplement payments and the costs associated with the payroll office in Halifax. Administrative costs of IA payments included all costs associated with operating the IA program and administering IA payments. Costs associated with the program management information systems for the two programs were calculated separately.

Table 7.3 presents the costs associated with transfer payments and administration of these payments, as well as costs for the program management information systems and expenditures on support services.[21] The costs in Table 7.3 are estimated for the observation period. They are expressed in 2000 dollars and discounted to the first year of follow-up.[22] During the observation period, transfer payments cost $39,415 per program group member and $36,153 per control group member. In other words, program group members gained on average $3,262 in transfers over the observation period. This increase is due to the average of $6,678 in SSP supplements program group members received, which more than made up for the $3,401 average loss in IA payments relative to the control group.

Although SSP could have increased the amount of unemployment compensation (EI) program group members received because program group members worked and were eligible for EI benefits, the table shows that there was actually a slight decrease of $15 in this benefit. This difference is not statistically significant.

The average gross cost of administering the SSP supplement payments was $409. As one would expect, some of the cost of supplement administration was offset by savings on the administration of IA payments; there were savings of $176 on IA administration.

The third panel of Table 7.3 presents the costs for the program management information systems. Interestingly, the cost of information management was much higher for income assistance than for SSP. Most of the difference in the cost between the two program systems is explained by longer periods of IA receipt compared with SSP receipt over the five-year period.[23]

[21] Transition to Work allowances were available only in British Columbia.

[22] These and other effects shown in this chapter are somewhat different from those presented in Chapter 3 because they are discounted and adjusted for inflation.

[23] For example, on average, program group members were participating in some way in the SSP program for 17.2 months, compared with 36.3 months of IA receipt over the five-year period. Another reason for the difference may be that an adjustment was made for the fact that applicants for income assistance were not part of this analysis but were part of the expenditures for program management information systems. This adjustment may have resulted in a lower cost estimate.

Table 7.3: Estimated SSP Impacts on Transfer Payments and Administrative Costs of Payments During the Observation Period

Type of Payment or Cost	Program Group	Control Group	Difference
Transfer payments ($)			
Income assistance	31,382	34,783	-3,401 ***
SSP supplement	6,678	0	6,678 ***
Employment Insurance[a]	1,355	1,370	-15
Total transfer payments	39,415	36,153	3,262 ***
Administrative costs of transfer payments ($)			
Income assistance	1,560	1,736	-176 ***
SSP supplement	409	0	409 ***
Employment Insurance[b]	20	16	4 ***
Total administrative costs of transfer payments	1,989	1,752	237 ***
Program management information systems[c]			
SSP management information system[d]	78	0	78
IA management information system[d]	338	378	-40
Total program management information systems	416	378	37
Supports for work[e] ($)			
Child care subsidies[f]	795	745	50
BC transportation/Transition to Work allowances[g]	97	39	57 ***
Total supports for work	891	784	107 **

Sources: Calculations from income assistance (IA) administrative records; payment records from SSP's Program Management Information System (PMIS); Employment Insurance (EI) administrative records; annual reports for the provinces of British Columbia (1995–96) and New Brunswick (1994–95); and 18-month, 36-month, and 54-month follow-up survey data.

Notes: The costs shown are in 2000 dollars.

All costs are discounted and adjusted for inflation except PMIS costs, which are not discounted.

The observation period for each sample member extends from random assignment through the month of the family's 54-month survey interview.

[a] EI data are available only through December 1997, whereas IA and SSP data extend through December 2000. Therefore EI payments may be underestimated somewhat.

[b] Exact information regarding unemployment benefit administrative costs was not readily available. Bloom et al. (1999) he estimate t operating cost per claim (initial and renewal), processed from application to adjudication, to be $70.

[c] Differences in these costs were not tested for statistical significance.

[d] These costs do not include the costs associated with purchasing new computer hardware or software or the design of the systems.

[e] Administrative costs of support service payments were not estimated.

[f] Data on child care subsidies were not available. The estimates of subsidy amounts presented in this table were imputed for the observation period from self-reported child care subsidy amounts received during the six months prior to each of the follow-up surveys (18, 36, and 54 months after random assignment). These estimates are based on the subsidies of working parents who had children under the age of 7 at any point in the observation period.

[g] These estimates are for the province of British Columbia only. Before 1996 this category included only transportation s subsidies 1996 transportation subsidies were replaced with "Transition to Work" benefits, which include both transportation subsidies and child care surcharge allowances.

Expenditures by Non-SSP Agencies

The provinces offered a number of supports to low-income persons returning to work from welfare. These supports included, for example, child care subsidies and transportation allowances. Government-funded child care subsidies were offered to families with small children who used approved daycare arrangements. A Transition to Work allowance was also offered to working low-income families in British Columbia. Prior to 1996 this allowance included transportation subsidies, and after 1996 it included transportation subsidies and

child care surcharge allowances.[24] The child care surcharge allowances are separate from the provincial child care subsidies offered to working families.

Although SSP did not offer any child care subsidies or Transition to Work allowances, it is plausible that agencies providing these kinds of services may have experienced an increase in expenditures for program group members as a result of SSP's impact on full-time employment. It is also important to note that these kinds of services were equally available to control group members who went to work full time.

The bottom panel of Table 7.3 presents estimated expenditures on child care subsidies and Transition to Work allowances.[25] Any SSP staff time spent on providing program group members with information about — or referrals to — these outside programs is covered in Table 7.2. As the table shows, expenditures on child care subsidies were $795 for program group members, compared with $745 for control group members, for a difference of $50.

Though the difference is not shown in the table, the impacts on child care subsidies differed substantially by province. On average, program group members in British Columbia received $255 more than control group members over the observation period. In New Brunswick program group members received $178 less than control group members over the observation period.[26] Because child care subsidies are offered only for formal care arrangements, the types of care arrangements are important in determining subsidy amounts. Evidence from Chapter 5 suggests that some of the difference in subsidies between the provinces is due to different types of child care arrangements, particularly for program group members. For example, tables D.10 and D.12 show that in New Brunswick there was a positive impact on informal care as opposed to no impact on formal care for young children at the 36-month follow-up survey. This pattern suggests that SSP families in New Brunswick may have switched from formal to informal arrangements when they went to work, and this change could help explain the different costs for child care between the provinces.

Total Gross and Net Costs

Table 7.4 summarizes the estimated gross and net costs per sample member for the full five years. For example, it shows the total gross cost of SSP, including transfer payments, program services and administration, and support service costs, for each member of the study sample. The estimated total gross cost of SSP per program group member was $45,881 and the cost for each control group member was $41,063.

For both the program and control groups, 90 per cent or more of the total gross cost was transfer payments. Program operation and administration of SSP and income assistance, shown in the second panel of the table, accounted for a greater percentage (eight per cent) of the program group's gross cost than of the control group's gross cost (five per cent). The remainder of the total gross cost was expended on the provision of support services to sample members.

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[24] New Brunswick has a transportation subsidy that is provided to social assistance clients for training or education programs. Transportation to employment is provided until the first paycheque.

[25] Child care subsidy data were not available. The estimates presented here are imputed for the observation period on the basis of child care subsidy amounts sample group members reported receiving during the six months prior to each of the follow-up surveys (18, 36, and 54 months after random assignment). These estimates are based on the reports of working parents who had children under the age of 7 at any point in the observation period.

[26] The average amount of child care subsidies received by sample members also differed substantially by province, with New Brunswick showing lower average costs.

Table 7.4: Five-Year Estimated Gross Costs and Net Costs of SSP

Type of Payment or Cost	Gross Cost per Program Group Member ($) (A)	Gross Cost per Control Group Member ($) (B)	Net Cost per Program Group Member ($) (C) = (A-B)
Cost of transfer payments			
SSP or IA transfer	39,862	36,673	3,188
EI transfer[a]	1,355	1,370	-15
Total transfer payments	41,217	38,044	3,173
Operating and administration of payments [b]			
Operating and administration[c]	3,353	1,854	1,499
SSP's Program Management Information System[d]	416	378	37
Total program operations and administration	3,769	2,232	1,537
Supports for work [e]			
Child care subsidies[f]	795	745	50
BC transportation/Transition to Work allowance[g]	100	42	58
Total supports for work	895	787	108
Total cost	45,881	41,063	4,818

Sources: Calculations from income assistance (IA) administrative records; payment records from SSP's Program Management Information Syst (PMIS); Employment Insurance (EI) administrative records; SRDC expenditure reports for Systemhouse, Vinge and Family Services; annual reports on expenditures from the provinces of British Columbia (1995–96) and New Brunswick (1994–95); and 18-month, 36-month, and 54-month follow-up survey data.

Notes: The costs shown are in 2000 dollars.

All costs are discounted and adjusted for inflation except operating and PMIS costs, which are not discounted.

Five-year estimates include observed values of IA and SSP payments, but some months of earnings were imputed for those who had fewer than five years of earnings data available.

[a] EI data are available only through December 1997, whereas IA and SSP data extend through December 2000. Therefore EI payments may be underestimated somewhat.

[b] Operating and PMIS costs were not projected to five years. These estimates reflect the cost of operating SSP for the observed period, which is approximately four and a half years.

[c] Operating costs for income assistance are included in the cost of administering the IA transfer payment.

[d] PMIS costs do not include the costs associated with purchasing new computer hardware or software or the design of the systems.

[e] Administrative costs of support service payments were not estimated.

[f] Data on child care subsidies were not available. The estimates of subsidy amounts presented in this table were imputed from self-reported child care subsidy amounts received during the six months prior to each of the follow-up surveys (18, 36, and 54 months after random assignment). These estimates are based on the subsidies of working parents who had children under the age of 7 at the time of any point in observation period.

[g] These estimates are for the province of British Columbia only. Before 1996 this category included only transportation subsidies. In 1996 transportation subsidies were replaced with "Transition to Work" benefits, which include both transportation subsidies and child surcharge allowances.

The net cost of SSP per program group member is the total gross cost per program group member over and above the total gross cost per control group member, represented in Figure 7.1 by Box N. Over the five-year period, the estimated net cost per program group member was $4,818.

FINANCIAL BENEFITS OF SSP

This section presents estimates of the financial benefits of SSP per program group member during the observation period. These include earnings, fringe benefits, taxes, and tax credits. (Transfer payments, which were also a benefit for sample members, were discussed in the previous section because they represent a cost to government budgets.)

Earnings and Fringe Benefits

Chapter 3 shows that SSP produced gains in employment and earnings for program group members (compared with control group members) during the follow-up period for the impact analysis. Table 7.5 shows that the value of this gain in earnings over the observation period was on average $3,499 per program group member (in 2000 dollars).[27]

Table 7.5: Estimated SSP Impacts on Earnings, Personal Taxes, and Tax Credits During the Observation Period

Outcome	Program Group	Control Group	Impact	
Earnings ($)				
Earnings	20,123	16,624	3,499	***
Fringe benefits[a]	3,037	2,509	528	***
Total earnings and fringe benefits	23,160	19,133	4,027	***
Personal taxes and premiums ($)				
Federal income tax	1,529	818	711	***
Provincial tax	816	431	386	***
Provincial surtax	7	12	-5	
Sales tax[b]	5,785	5,331	454	***
EI premiums[c]	493	395	98	***
CPP premiums[c]	456	366	90	***
Total taxes and premiums[d]	9,086	7,353	1,733	***
Tax credits ($)				
Canada Child Tax Benefit	7,164	7,492	-328	**
GST credits	2,379	2,421	-41	*
Working Income Supplement	120	122	-2	
BC Earned Income Benefit	17	20	-3	
NB Working Income Supplement	6	5	1	*
Total tax credits[e]	9,687	10,060	-373	**

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data and federal and provincial tax regulations as provided in the 2000 Canadian Master Tax Guide, the Canada Customs and Revenue Agency (CCRA) 1999 Tax Guide and Forms, and government publications.

Notes: The costs shown are in 2000 dollars.

Estimates reflect discounting and adjustment for inflation.

The observation period for each sample member extends from random assignment through the month of the family's 54-month survey interview.

[a] Fringe benefits include annual vacation pay, employer contributions to Employment Insurance (EI) and Canada Pension Plan (CPP) premiums, statutory holidays, and Worker's Compensation. In New Brunswick legislated fringe benefits for 1999 were mandated at 15.09 per cent of total annual base payroll costs. This estimate was also applied to British Columbia recipients.

[b] The source for the proportion of income spent on taxable items is the Department of Finance. Sales tax is estimated using net income (estimated income after taxes and credits).

[c] EI and CPP premiums include only the employee contribution. The employer contribution is included as part of fringe benefits of employment.

[d] Although the federal surtax was paid by a few individuals in the sample, the average payment was less than $1.00 per year. Therefore, this tax is not included in tax and premium calculations.

[e] Other credits, including the BC Family Bonus and the New Brunswick Child Tax Benefit, are not included because the average credit was nearly $0.

[27] Earnings effects presented here are somewhat different from those presented in Chapter 3, because of discounting, inflation adjustment, and the use of all follow-up data available for each sample member.

Fringe benefits were also a part of sample members' total compensation from working. Fringe benefits include employer-provided life insurance, pension contributions, workers' compensation, additional health benefits (over and above those provided to all Canadians by the government), vacation, and statutory holiday pay. On the basis of published data, these benefits were estimated at 15.1 per cent of total annual base earnings.[28] As is shown in Table 7.5, the average increase in earnings of $3,499 per program group member plus an additional $528 in fringe benefits yielded an average increase in total work-related compensation of $4,027 per program group member during the observation period.

Personal Taxes and Credits

Because SSP increased taxable income through increased earnings and the SSP supplement, it was expected that the program would also increase federal and provincial income taxes, payroll taxes, and, as a result, sales taxes.[29] Tax payments, along with the Canada Child Tax Benefit and Goods and Services Tax (GST) credits, were imputed from the relevant earnings and income base, to which tax rates and laws for the 1999 tax year were applied.[30] Table 7.5 shows that total personal taxes and premiums increased by $1,733 per program group member during the observation period. Almost two thirds of the increase is attributable to federal ($711) and provincial ($386) income taxes.

The increase in income taxes was not accompanied by an increase in tax credits. In fact, because the Canada Child Tax Benefit and GST credits were based on taxable income and SSP increased income for program group members, the program group experienced a $373 loss in these types of credits for the observation period.

NET GAINS AND LOSSES OF SSP BY ACCOUNTING PERSPECTIVE OVER FIVE YEARS

Table 7.6 summarizes SSP's main (financial) effects from the perspectives of the program group sample members, the government budgets, and society as a whole, for a full five years after random assignment. Differences between the program group and the control group were defined as gains (indicated by positive values) and losses (indicated by negative values). A value of zero is not considered a gain or a loss for the accounting perspective to which it applies. The results were then added to obtain an estimate of the overall net gain or loss of the SSP program from each perspective. Because the table presents the results of SSP for a five-year period, values presented here are somewhat different from those shown in earlier tables in this chapter.[31]

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[28] New Brunswick's legislated fringe benefits for 1999 were mandated at 15.1 per cent of total annual base payroll costs. This estimate was also applied to British Columbia recipients.

[29] It was expected that sales taxes would increase as a result of increased income because program members would spend more on taxable items.

[30] The source for the tax rules was the 2000 Canadian Master Tax guide and the Canada Customs and Revenue Agency 1999 tax guide and forms.

[31] All financial costs and benefits in this table are based on reported data, with the exception of earnings, fringe benefits, and taxes (because they are imputed from earnings). Earnings, fringe benefits, and taxes include a short projection period of zero to eight months to cover the entire five-year period. The projection period varied depending on the date of the 54-month survey.

Table 7.6: Five-Year Estimated Net Gains and Losses per SSP Program Group Member, by Accounting Perspective

	Accounting Perspective		
Component of Analysis	Program Group	Government Budget	Society
Financial effects ($)			
Transfer payments	3,173	-3,173	0
Transfer payment administration[a]	0	-232	-232
Operating cost of SSP[b]	0	-1,267	-1,267
Program Management Information System[b]	0	-37	-37
Supports for work[c]	108	-108	0
Earnings and fringe benefits	4,100	0	4,100
Taxes and premiums[d]	-1,732	1,732	0
Tax credits	-394	394	0
Net gain or loss (net present value) ($)	5,256	-2,691	2,565

Sources: Calculations from income assistance (IA) administrative records; payment records from SSP's Program Management Information System (PMIS); EI (Employment Insurance) administrative records; SRDC expenditure reports for Systemhouse, Vinge and Family Services; annual reports for the provinces of British Columbia (1995–96) and New Brunswick (1994–95); 18-month, 36-month, and 54-month follow-up survey data; and federal and provincial tax regulations as provided in the 2000 Canadian Master Tax Guide, the Canada Customs and Revenue Agency (CCRA) 1999 Tax Guide and Forms, and government publications.

Notes: The costs shown are in 2000 dollars.

All costs are discounted and adjusted for inflation except operating and PMIS costs, which are not discounted.

Five-year estimates include observed values of IA and SSP payments, but some months of earnings were imputed for those sample members who had fewer than five years of earnings data available.

Rounding may cause slight discrepancies in sums and differences.

[a] IA operating costs are part of payment administration. For IA this cost does not include any outreach or orientation.

[b] Operating and PMIS costs were not projected to five years. These estimates reflect the cost of operating SSP for the observed period, which is approximately four and a half years but varies with the date of the 54-month survey interview.

[c] Includes imputed child care subsidies for both provinces and Transportation/Transition to Work benefits in British Columbia.

[d] Amounts shown include the employee portion of EI and Canada Pension Plan (CPP) premiums. The employer contribution to these premiums is included as part of fringe benefits of employment. The employee portion of CPP premiums is counted as a cost to the program group for simplicity. However, these costs would likely be more than offset by future pension payments.

Perspective of the Program Group

The first column of Table 7.6 presents the benefits and costs of SSP from the perspective of members of the program group. The column presents differences in average transfer payments, operating costs, support service payments, earnings and fringe benefits, income taxes, and tax credits for the program group compared with the control group. Over the five-year period, families in SSP experienced on average a net financial gain of $5,256. The majority of this gain came through increased earnings and fringe benefits from working ($4,100). Transfer payments from SSP and income assistance accounted for $3,173 of the gain. As a result of increased income from working, the program group experienced an average loss of $2,126 through increased taxes and lower tax credits.

Perspective of the Government Budget

The second column of Table 7.6 shows the gains and losses of SSP from the perspective of the government budget. In this table, the perspective includes both the federal and the provincial government budgets. A later section will describe the apportionment of the costs between these two budgets.

As the table shows, the government budget experienced a financial loss of $2,691 per program group member. The majority of this loss came in the form of increased transfer

payments to the program group. Interestingly, more than two thirds of the loss in transfer payments was recovered in the form of increased income tax payments from the program group.

Perspective of Society

The last column of Table 7.6 presents the items and costs of SSP from the perspective of society as a whole. As was described earlier, the estimates for society are the sum of the perspectives of the program group and the government budgets. The gains to society represent gains to the SSP families from earnings and fringe benefits. These gains were not offset by any costs to the government budgets. Losses to society are due mainly to increased costs to the government for administration of transfer payments and program operations. The net financial gain to society from SSP was $2,565 for five years per program group member. In other words, SSP was cost-effective from the social perspective. SSP families' gains outweighed losses to the government budgets.

Another way to summarize SSP's financial effects across these perspectives is to examine the ratio between government costs and gains to families. The government spent about $2,700 over five years ($540 per year) more per program group member than it would have under the traditional IA system. SSP families gained on average $5,256 over five years ($1,051 per year). The reason that families gained even more than the government spent is that families responded to the program by increasing their earnings, so that not all of the gain to families was from transfer programs. For each dollar of financial gains to families, the cost to the government was only 51 cents.

Net Gains and Losses of SSP by Province

Table 7.7 presents the net gains and losses by accounting perspective for each of the provinces separately. The overall picture for the two provinces is similar, with SSP providing gains for SSP families, losses for the government budget, and gains for society as a whole. The first column on the left shows that the program group had higher gains, on average, in British Columbia than in New Brunswick. The difference in gains is primarily due to higher transfer and support service payments in British Columbia. In fact, SSP families in New Brunswick received over $1,300 more than SSP families in British Columbia in income from earnings and fringe benefits. The higher gains in New Brunswick are due to the longer-lasting impacts in that province (see Table C.3). The higher financial gain from earnings in New Brunswick was more than offset by higher transfers and support service payments in British Columbia, making the program group only marginally better off in British Columbia.

While families were relatively better off in British Columbia, the government in New Brunswick experienced more positive outcomes. The loss to the government budgets in New Brunswick was only $1,660 compared with $3,493 in British Columbia. At the same time, the gains to society in New Brunswick were $3,375 — higher than those in British Columbia. Higher transfer and support-service payments in British Columbia explain almost three fourths of the difference in government budget costs. Higher income taxes and tax credits in New Brunswick explain most of the additional difference.

SSP was efficient in both provinces, but more so in New Brunswick. In British Columbia each dollar increase to families cost the governments about 66 cents. In New Brunswick each dollar increase to families cost the governments only about 33 cents.

Table 7.7: Five-Year Estimated Net Gains and Losses per SSP Program Group Member, for Each Province by Accounting Perspective

	Accounting Perspective		
Component of Analysis	Program Group	Government Budget [a]	Society
British Columbia			
Financial effects ($)			
Transfer payments	3,489	-3,489	0
Transfer payment administration[b]	0	-219	-219
Operating cost of SSP[c]	0	-1,367	-1,367
Program Management Information System[c]	0	-32	-32
Supports for work[d]	348	-348	0
Earnings and fringe benefits	3,419	0	3,419
Taxes and premiums[e]	-1,687	1,687	0
Tax credits	-276	276	0
Net gain or loss (net present value) ($)	5,294	-3,493	1,801
New Brunswick			
Financial effects ($)			
Transfer payments	2,688	-2,688	0
Transfer payment administration[b]	0	-240	-240
Operating cost of SSP[c]	0	-1,127	-1,127
Program Management Information System[c]	0	-56	-56
Supports for work[d]	-167	167	0
Earnings and fringe benefits	4,797	0	4,797
Taxes and premiums[e]	-1,751	1,751	0
Tax credits	-533	533	0
Net gain or loss (net present value) ($)	5,035	-1,660	3,375

Sources: Calculations from income assistance (IA) administrative records; payment records from SSP's Program Management Information System (PMIS); Employment Insurance (EI) administrative records; SRDC expenditure reports for Systemhouse, Vinge and Family Services; annual reports for the provinces of British Columbia (1995–96) and New Brunswick (1994–95); 18-month, 36-month, and 54-month follow-up survey data; and federal and provincial tax regulations as provided in the 2000 Canadian Master Tax Guide, the Canada Customs and Revenue Agency (CCRA) 1999 Tax Guide and Forms, and government publications.

Notes: The costs shown are in 2000 dollars.

All costs are discounted and adjusted for inflation except PMIS costs, which are not discounted.

Five-year estimates include observed values of IA and SSP payments, but some months of earnings were imputed for those sample members who had fewer than five years of earnings data available.

Rounding may cause slight discrepancies in sums and differences.

[a]The government budget perspective includes federal and provincial government budgets combined.

[b]IA operating costs are part of payment administration. For IA this cost does not include any outreach or orientation.

[c]Operating and PMIS costs were not projected to five years. These estimates reflect the cost of operating SSP for the observed period, which is approximately four and a half years but varies with the date of the 54-month survey interview.

[d]Includes imputed child care subsidies for both provinces and Transportation/Transition to Work benefits in British Columbia.

[e]Amounts shown include the employee portion of EI and Canada Pension Plan (CPP) premiums. The employer contribution to these premiums is included as part of fringe benefits of employment. The employee portion of CPP premiums is counted as a cost to the program group for simplicity. However, these costs would likely be more than offset by future pension payments.

Net Gains and Losses of SSP for Federal and Provincial Governments

Table 7.8 presents the benefits and costs of SSP from the perspective of the federal and provincial government budgets separately. The perspective of the federal government does not include any gains or losses from SSP or IA payments, or from operating costs of the programs. Although the SSP demonstration was funded by the federal government, the costs for operating SSP in each of the provinces are allocated to the provincial government in this analysis.[32] The federal government perspective does not account for transfers to the provincial governments

[32]It is assumed that if SSP were to operate as an ongoing program, the provincial government would fund such a program as an alternative to the current social assistance program (which is funded by the provincial government).

such as the CHST. Similarly, the perspective of the provincial government does not include any financial gains from federal government transfers to the provinces.

Table 7.8: Five-Year Estimated Net Gains and Losses per SSP Program Group Member, for Each Province by Federal and Provincial Government Budget Perspectives

	Accounting Perspective	
Component of Analysis	Federal Government Budget	Provincial Government Budget
Total (both provinces)		
Financial effects ($)		
Transfer payments	15	-3,188
Transfer payment administration[a]	-4	-228
Operating cost of SSP[b]	0	-1,267
Program Management Information System[b]	0	-37
Supports for work[c]	0	-108
Earnings and fringe benefits	0	0
Taxes and premiums[d]	1,120	612
Tax credits	391	3
Net gain or loss (net present value) ($)	1,522	-4,213
British Columbia		
Financial effects ($)		
Transfer payments	-214	-3,276
Transfer payment administration[a]	-5	-214
Operating cost of SSP[b]	0	-1,367
Program Management Information System[b]	0	-32
Supports for work[c]	0	-348
Earnings and fringe benefits	0	0
Taxes and premiums[d]	1,115	572
Tax credits	264	11
Net gain or loss (net present value) ($)	1,161	-4,654
New Brunswick		
Financial effects ($)		
Transfer payments	255	-2,943
Transfer payment administration[a]	-3	-237
Operating cost of SSP[b]	0	-1,127
Program Management Information System[b]	0	-56
Supports for work[c]	0	167
Earnings and fringe benefits	0	0
Taxes and premiums[d]	1,104	646
Tax credits	538	-5
Net gain or loss (net present value) ($)	1,894	-3,554

Sources: Calculations from income assistance (IA) administrative records; payment records from SSP's Program Management Information System (PMIS); Employment Insurance (EI) administrative records; SRDC expenditure reports for Systemhouse, Vinge and Family Services; annual reports for the provinces of British Columbia (1995–96) and New Brunswick (1994–95); 18-month, 36-month, and 54-month follow-up survey data; and federal and provincial tax regulations as provided in the 2000 Canadian Master Tax Guide, the Canada Customs and Revenue Agency (CCRA) 1999 Tax Guide and Foms, and government publications.

Notes: The costs shown are in 2000 dollars.

All costs are discounted and adjusted for inflation except PMIS costs, which are not discounted.

Rounding may cause slight discrepancies in sums and differences.

Five-year estimates include observed values of IA and SSP payments, but some months of earnings were imputed for those sample members who had fewer than five years of earnings data available.

[a]IA operating costs are part of payment administration. For IA this cost does not include any outreach or orientation.

[b]Operating and PMIS costs were not projected to five years. These estimates reflect the cost of operating SSP for the observed period, which is approximately four and a half years.

[c]Includes imputed child care subsidies for both provinces and Transportation/Transition to Work benefits in British Columbia.

[d]Amounts shown include the employee portion of EI and Canada Pension Plan (CPP) premiums. The employer contribution to these premiums is included as part of fringe benefits of employment. The employee portion of CPP premiums is counted as a cost to the program group for simplicity. However, these costs would likely be more than offset by future pension payments.

The top panel of the table presents these results for the provinces combined. The first column shows that the federal government budget experienced a net financial gain of $1,522 over the five-year period. This gain is primarily from increased income taxes and decreased tax credits for SSP families. The provincial government experienced a financial loss of $4,213 per program group member. This loss is mainly due to higher transfer payments for the program group.

The second and third panels of the table present the net gains and losses for the two types of government budgets, by province. In both provinces SSP produced net financial gains for the federal government and losses for the provincial governments. As is consistent with earlier findings, federal government gains were larger and provincial government losses were smaller for New Brunswick.

SSP was found to be an efficient program when the government perspectives were combined, and it remains efficient when examined for the provincial government perspective separately. For each dollar gained by families, the cost to the provincial government averaged only 80 cents (88 cents in British Columbia and 71 cents in New Brunswick).

CONCLUSIONS

SSP successfully increased the income and financial well-being of families while decreasing their reliance on income assistance. As has been discussed in this benefit-cost analysis, the total net financial gain per family was over $1,050 per year for five years. While it was possible for SSP to substantially increase the amount of transfer payments families received, the increase in this type of income did not represent the largest gains for families. The majority of the financial gains to families came in the form of increased earnings and fringe benefits. Further, the financial benefits of SSP came at only a modest cost to the government budget, making SSP a very efficient program. For each $1 of financial gains to families, the cost to the government budget was just 51 cents.

SSP was more efficient in the province of New Brunswick than in British Columbia. Earnings gains for families were higher, and government costs were lower compared with those in British Columbia. For each $1 of financial gains to families in New Brunswick, the cost to the government was only 33 cents. It is likely that the local economies and social assistance benefit levels played a role in the benefit-cost differences.

When examined separately, SSP produced net financial gains to the federal government budget and net losses to the provincial governments. However, this analysis does not account for federal government transfers to the provinces, including the CHST.

This benefit-cost analysis is not a comprehensive representation of the effects of SSP. There were additional benefits and costs that it does not account for. For example, this analysis does not attempt to place a value on the nonfinancial benefits of improved outcomes for children or the cost of lost personal and family time as a result of increased employment. Moreover, while the operating costs presented in this chapter are accurate with regard to the SSP demonstration, these costs would likely differ if SSP were operated as an ongoing earnings supplement. For these reasons the results in this chapter should be considered only an approximation of SSP's full effects.

Chapter 8:
SSP Plus

Many long-term welfare recipients have low levels of education and limited experience in the labour market. People who have experienced prolonged spells of dependence on social assistance can face formidable barriers to finding or sustaining full-time employment. While SSP offered long-term welfare recipients an earnings supplement designed to make work pay, the offer of the supplement alone was insufficient to overcome all of these barriers to employment, since only about a third of those eligible ever received a supplement payment (see Chapter 2). Would offering job-search and other related employment services encourage more SSP participants to take greater advantage of the supplement offer?

In anticipation of this issue, the SSP study included an experiment called SSP Plus, which offered a small group of income assistance (IA) recipients in New Brunswick a range of pre- and post-employment services. The experiment tested whether adding an offer of services to the financial incentive component of SSP could increase SSP supplement receipt and have an impact on important outcomes such as full-time employment, IA receipt, and income.

This chapter describes the SSP Plus study and reports on how the program affected participants during a 54-month follow-up period. In particular, the chapter estimates the impact that the offer of services had on supplement receipt, employment, wages, and earnings. Impacts on cash transfers, income, and poverty are also reported.

SUMMARY OF FINDINGS

- The addition of employment services significantly increased the percentage of welfare recipients taking advantage of the earnings supplement. Welfare recipients who were offered SSP Plus services were 16 percentage points more likely than welfare recipients offered only the supplement to have received at least one supplement payment over the course of the follow-up period. While 53 per cent of the SSP Plus group members ever received the supplement, only 37 per cent of the regular SSP group members ever received the supplement.
- Four years after random assignment, SSP Plus services had increased full-time employment and reduced IA receipt. In the fourth year of the program, the average monthly full-time employment rate among members of the SSP Plus program group was 7.4 percentage points higher than the rate among members of the regular SSP program group. Concurrently, the addition of services reduced receipt of income assistance among SSP Plus group members in the typical month by 11.0 percentage points compared with regular SSP group members.
- Adding an offer of services to the financial incentive led to a large increase in earnings and income. The offer of services incrementally increased participants' average earnings by $1,586 in the fourth year after random assignment. For SSP Plus group members, total individual monthly income in the six months prior to the 54-month interview was on average $119 higher, relative to that of regular SSP group members.

FEATURES OF THE SSP PLUS PROGRAM

The SSP Plus program had two components: a financial incentive to make work pay more than welfare and an offer of services to help people make a successful transition from long-term welfare receipt to full-time employment.

The Financial Incentive Component

The financial incentive offered in the SSP Plus program was identical in all respects to the supplement offered in regular SSP (as described in Chapter 1). Members of both program groups were offered a generous earnings supplement if they left income assistance and worked full time (30 or more hours per week). The supplement payment was designed to make work financially more attractive than welfare and could roughly double recipients' earnings.[1] Provided that program group members found a full-time job and had initiated the supplement within one year of random assignment, they would be eligible to receive the supplement in each of the following 36 months in which they worked an average of at least 30 hours per week. If program group members failed to find a full-time job within 12 months, they became ineligible to receive any supplement payments.

The Services Component

SSP Plus also offered services to help welfare recipients find and keep full-time employment. If randomly assigned to the SSP Plus program group, participants could take advantage of a range of services: an employment plan, a resumé service, job clubs and other workshops, job coaching, and job leads. These services are described in more detail in the accompanying text box. Participants were never required to use the services. Each service could be used on its own or in conjunction with others. Participants were encouraged to select the set of services that would best suit their individual needs.

SSP Plus services were available to a member of the SSP Plus program group as soon as she was randomly assigned, to help her find a job that would allow her to initiate the supplement. In addition, if a member of the SSP Plus program group subsequently lost her job or wanted to improve her employment situation, she could avail herself of the services and program staff, even if she had not used the services previously. If, however, a SSP Plus program group member had failed to initiate the supplement within the one-year window, she was no longer eligible to participate in the services provided through SSP Plus. All SSP participants could at all times access any services in the community for which they were normally eligible.

[1] The SSP benefit was calculated as half the difference between actual earnings and a target level of earnings. Initially, in 1992, the target level of earnings for participants in New Brunswick was set at $30,000. This level was adjusted to reflect changes in the cost of living and in the amounts paid by income assistance. In November 1994, when participants in the SSP Plus experiment began to be randomly assigned, the target earnings level was $30,600.

Services Available to SSP Plus Program Group Members

- Employment Plan. A blueprint for self-sufficiency was drawn up for each group member. It included information on employment barriers, goals, and anticipated use of SSP Plus services.
- Resumé Service. SSP Plus program staff was available to draft, type, format, proofread, and print resumés.
- Job Club. Enrolment in job clubs led by SSP Plus job coaches was encouraged. Coaches emphasized early contact with employers, consistent follow-up, and the importance of maintaining a positive attitude.
- Job Coaching. Program group members formed one-on-one relationships with SSP Plus program staff members, who offered practical advice and emotional support.
- Job Leads. SSP Plus program staff collected and distributed news of job openings.
- Self-Esteem Workshop. Program group members participated in exercises designed to build self-esteem.
- Other Workshops. Workshops targeted program group members who were confronting job loss or looking for higher-paying positions.

THE RESEARCH DESIGN

Random Assignment

SSP Plus was evaluated using a three-way random assignment[2] design. SSP participants were randomly assigned to a control group, an SSP Plus program group, or a regular SSP program group.[3] Members of the regular SSP program group were eligible for the financial incentive. Those assigned to the SSP Plus program group were eligible for both the financial incentive and the services component. Members of the control group were not offered either component of SSP Plus.

Participants in the SSP Plus study were randomly assigned between November 1994 and March 1995. The requirements for entry into the SSP Plus experiment were similar to those of the main study. In total, 892 single parents who had received welfare in the month just before random assignment and in at least 11 of the previous 12 months were randomly assigned. Of these, 293 were assigned to the SSP Plus program group, 296 were assigned to the regular SSP program group, and 303 were assigned to the control group.

The process of random assignment is designed to create research groups possessing the same characteristics, on average, at the start of the program. During random assignment for the SSP Plus experiment, there were some larger differences than usual between the SSP Plus and regular SSP program groups (Quets et al., 1999). To account for these differences, the

[2]Three-way random assignment meant that participants had an equal (33.3 per cent) chance of being assigned to any of the three research groups.

[3]See Chapter 1 for a full discussion of random assignment.

impacts in this chapter are adjusted using statistical regression techniques.[4] Unadjusted impacts are presented in Appendix E.

Data Sources and Report Sample

Because evaluators were interested in how the SSP Plus program had affected an array of participants' outcomes over the course of a 54-month follow-up period, several data sources were employed in the program evaluation. The data sources used in the SSP Plus study are similar to those used in the main recipient study, described more fully in Chapter 1. Briefly, data were acquired from a baseline survey and three follow-up surveys. Administrative data and data from the SSP Program Management Information System were also used to evaluate SSP Plus.

Of the 892 participants that were randomly assigned, 86 per cent completed the final 54-month survey. The report sample consists of 765 people — 256 members of the SSP Plus program group, 258 members of the regular SSP program group, and 251 members of the control group.[5]

Measuring the Effects of SSP Plus

The effects of SSP Plus can be determined by comparing a given outcome in one research group with the same outcome in a different research group. Comparing the SSP Plus program group with the control group shows the combined impact of both the services and the financial incentive. The impact of the financial incentive alone is revealed when the regular SSP program group is compared with the control group. The difference between the SSP Plus program group and the regular SSP program group is the incremental impact of adding services to the supplement offer. The previous chapters of this report discuss the impact of the financial incentives alone; this chapter focuses on the incremental impact of services.

While comparing outcomes in two research groups usually reveals some difference, in this chapter the focus is on statistically significant impacts. It is always possible that a statistical test will fail to detect a true impact. The chance of making this kind of error increases as the sample size decreases. In the SSP Plus study, because there are fewer than 300 members in each research group, the differences between the research groups are not statistically significant unless they are quite large. The lack of reported statistical significance does not necessarily mean that the program did not affect the outcome.

PROGRAM PARTICIPATION

Use of Services

After members of the SSP Plus program group were randomly assigned, they were informed that they were eligible for the supplement and a variety of job-search, job-retention, and job-advancement services. The services available were designed to help long-term welfare recipients make the transition to full-time employment. Program staff periodically

[4] The regression analysis adjusted for 16 baseline characteristics: average monthly IA payments in the year before random assignment, average monthly earnings in the year before random assignment, age and age squared, and dummy variables for being female, having less than a high school education, working at baseline, liking going to work, expecting to be married in a year, and expecting to be working in a year. Dummy variables indicating whether each covariate was missing were also included in the model.

[5] Lei & Michalopoulos, 2001, and Quets et al., 1999, provide a detailed description of the SSP Plus sample.

contacted members of the SSP Plus program group and encouraged them to take up the supplement. Program staff also worked with participants to develop individual employment plans and to create effective résumés and cover letters. Staff members supported participants through the cold-call and job-interview process. Participants were assigned individual job coaches, who provided one-on-one practical advice and emotional support. Members of the SSP Plus program group also had the opportunity to join job clubs.

After participants found their first jobs, the focus of the services turned toward retention and improvement. For example, program staff offered advice about child care providers and transportation services. Participants who remained employed were provided leads to better-paying jobs.

Although participation in SSP Plus services was encouraged, members of the SSP Plus program group were never obliged to use any of the services. Despite the voluntary nature of SSP Plus services, there was a substantial take-up on the services offer. Nearly all SSP Plus program group members completed the employment plan. Over half of the SSP Plus program group used the résumé service, received job coaching, and received job leads. About a quarter of the SSP Plus program group attended a job club (Quets et al., 1999; Lei & Michalopoulos, 2001).

Some of the various services were used more often before program group members took up the supplement, while others were used more frequently after supplement take-up. Lei and Michalopoulos (2001) reported that employment plans, résumé services, and job clubs were used primarily before the supplement was taken up. In contrast, use of job coaching and job leads occurred primarily after the supplement was taken up.

While SSP Plus did not offer any services to members of either the regular SSP program group or the control group, the program could not prevent them from accessing any services that might have been available to them in their communities. Consequently, the SSP Plus services were designed to surpass those available in the community. Some members of the regular SSP program group and control group may have accessed the same type of services as those offered through SSP Plus. It is thus important to consider whether SSP Plus increased the use of services. Table 8.1 shows that SSP Plus successfully increase the use of services. Over half of the SSP Plus program group participated in some type of job-search program, including job clubs and workshops, at some point during the follow-up period. In contrast, only 37.5 per cent of the regular SSP program group and 35.3 per cent of the control group participated in similar programs. While the financial incentives did not make a significant difference in whether a sample member used these services, offering services through SSP Plus incrementally increased the proportion participating by over 13.6 percentage points.

SSP Plus did not, however, increase the use of other services and education programs. Members of the SSP Plus program group were no more or less likely than members of the other research groups to have taken part in work-related training, NB Works,[6] life-skills programs, or personal counselling. Additionally, SSP Plus did not significantly affect the proportion who had ever taken courses toward the completion of a high school diploma, college diploma, or university degree.

[6]NB Works is a demonstration project undertaken by the New Brunswick departments of Human Resources Development and Advanced Education and Labour, and the federal government department of Human Resources Development Canada. NB Works assisted social assistance recipients with an initial work placement, academic upgrading, summer internships, skills training, and transition-to-employment services.

Table 8.1: SSP and SSP Plus Impacts on Service Receipt and Educational Pursuits

Outcome	Outcome Levels: SSP Plus Program Group	Outcome Levels: Regular SSP Program Group	Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services		SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone	Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services		SSP Plus vs. Regular SSP: Standard Error
Ever since random assignment (%)											
Took part in job-search program such as job club or job-search workshop	51.1	37.5	35.3	15.7	***	(4.3)	2.2	(4.3)	13.6	***	(4.3)
Took part in life-skills program such as money management or parenting	13.2	11.4	11.4	1.8		(2.9)	0.0	(2.9)	1.8		(2.9)
Received counselling for personal problems	36.6	39.1	37.2	-0.6		(4.4)	1.9	(4.4)	-2.5		(4.4)
Participated in work-related training or education	24.6	25.7	23.8	0.8		(3.7)	1.9	(3.7)	-1.0		(3.7)
Participated in NB Works	9.0	11.2	10.0	-1.0		(2.7)	1.2	(2.7)	-2.2		(2.7)
Took courses toward completion of high school diploma, college diploma, or university degree	22.4	20.7	24.0	-1.5		(3.6)	-3.2	(3.6)	1.7		(3.6)
Sample size (total = 765)	256	258	251								

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

Supplement Receipt

In addition to services, SSP Plus also offered an earnings supplement to members of both program groups. If a member of either of the program groups found full-time work and initiated the supplement within 12 months of random assignment, she could continue to receive a supplement in each month that she worked an average of 30 hours or more per week. Supplement receipt was limited to 36 months following supplement take-up.

Over the course of the follow-up period, over half of the SSP Plus program group received at least one supplement payment. In comparison, only 37 per cent of the regular SSP group received at least one supplement payment. This finding indicates that the services offer encouraged more welfare recipients to take advantage of the supplement offer. Indeed, SSP Plus program group members were 16 percentage points more likely than regular SSP program group members to have received at least one supplement payment.

Once members of both program groups had initiated the supplement, they could continue to receive the supplement for up to three years. Because participants had to be working full time in a given month to receive the supplement, not everyone who initiated the supplement continued to receive it in every month. Figure 8.1 shows the proportion of members of each program group who received the supplement in 52 months of follow-up.

Figure 8.1: SSP Plus and Regular SSP Program Group Members Receiving the SSP Supplement, by Months From Random Assignment

Source: Calculations from SSP's Program Management Information System payment records.

Although more SSP Plus program group members received the supplement at some point, not all of those people were able to remain consistently employed full time. If all members of both program groups who had initiated the supplement had continued to receive it in every month, the incremental impact of SSP Plus services on supplement receipt would have been constant after the "take-up window" closed in Month 12. As Figure 8.1 demonstrates with the dotted line, the impact was not consistent over time.

In the first year after random assignment, as members of both program groups searched for full-time employment in order to qualify for the supplement, the services had no incremental impact on supplement receipt. This finding implies that being offered services did not prompt SSP Plus program group members to initiate the supplement sooner than regular SSP program group members. In the second and third years of the program, the difference between the proportions of the two research groups who were receiving the supplement fluctuated. In some months the incremental impact was very small and statistically insignificant; in other months the impact rose to over seven percentage points and became statistically significant.

In the final year and a half of the follow-up period, the three-year supplement period ended for all supplement takers. Figure 8.1 shows that for both program groups supplement receipt declined steadily during this period. Because participants had initiated their supplement at different points during the first year, their three-year supplement period terminated at different times relative to the date of random assignment. Participants who had initiated the supplement earlier became ineligible earlier. The difference between the proportions of SSP Plus program group members and regular SSP program group members receiving the supplement was large and relatively constant. In all but the last month of the fourth year, the incremental impact of services on supplement receipt was over seven percentage points and statistically significant.

IMPACTS ON EMPLOYMENT, EARNINGS, AND WAGES

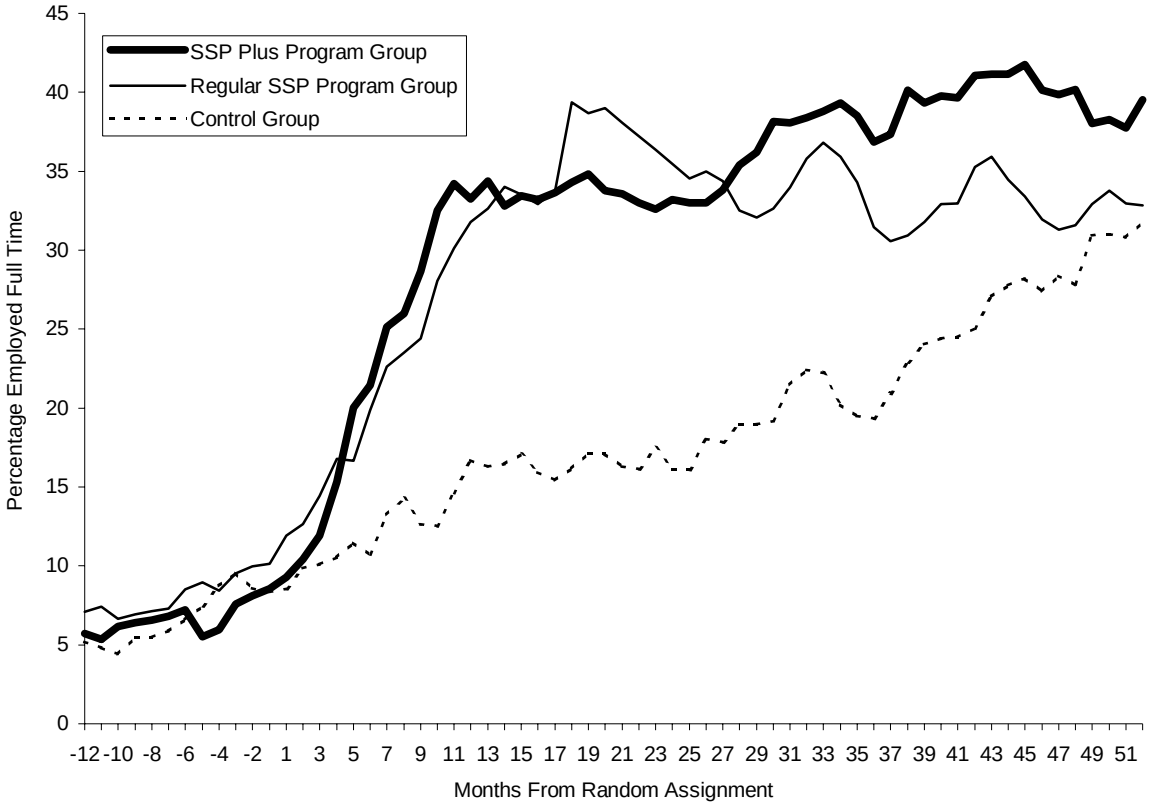
Full-Time Employment

For the first year of the program, the offer of a generous earnings supplement provided members of the SSP Plus and the regular SSP program groups with an incentive to find full-time work and leave income assistance. For members of both program groups who found full-time work within one year, the incentive continued for up to three years. Not all program group participants were able and willing to find work within the one-year window. For those who did not find work and who had therefore become ineligible for the supplement, this incentive to work full time no longer existed after the first year.

As was reported earlier, a larger proportion of the SSP Plus program group than the regular SSP program group ever received a supplement payment. As a result, the supplement offer continued beyond the first year of the program to act as a full-time work incentive for a larger number of SSP Plus program group members than regular SSP program group members. It was therefore possible that the incremental impact of services on supplement receipt could have influenced the program's impact on full-time employment. An impact on the proportion ever receiving the supplement, however, does not automatically result in an impact on full-time employment. Many members of both program groups would have

worked even if they had not been offered the supplement. The program could have had an impact on full-time employment only if the supplement had induced people to work full time who would have worked part time or not at all in the absence of the program. Figure 8.2 shows the full-time employment rate in each month from 12 months before random assignment to 52 months after random assignment, for members of the control group and both program groups.

Figure 8.2: Full-Time Employment Rates for SSP Plus, Regular SSP, and Control Group Members, by Months From Random Assignment



Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

Initially, after random assignment, full-time employment among welfare recipients in both program groups began to rise. For the first year, there was very little difference between the full-time employment rates of the regular SSP program group and the SSP Plus program group. In the 12th month, when the supplement take-up window closed, about one third of the members of each program group were employed full time. Employment in the regular SSP program group continued to rise, reaching a peak of 39 per cent at Month 18 and then fluctuating considerably throughout the remainder of the follow-up period. In contrast, full-time employment in the SSP Plus program group remained fairly constant throughout the second year and began to climb again in the third and fourth years of follow-up. Full-time employment in the SSP Plus program group peaked 45 months after random assignment at 42 per cent, somewhat later than the peak in full-time employment for the regular SSP program group.

The different patterns of fluctuation in the two program groups' employment rates caused the incremental impact of services on full-time employment to change over time, sometimes being positive and sometimes negative. In none of the months during the second and third years of the program did the services have a significant incremental impact on full-time employment. It should be remembered, however, that the addition of services might still have had an effect that the statistical tests failed to detect because the sample size was too small.

In the fourth year after random assignment, the gap between the full-time employment rates of the two program groups began to widen. The gap was widest in Month 38, when the offer of services had increased full-time employment by over nine percentage points. The incremental impact of services on full-time employment remained statistically significant for most of the final months of follow-up, even after many members of both program groups were no longer eligible for the supplement.

Average Monthly Full-Time Employment in Years 1 to 4

The impact of SSP Plus on full-time employment is shown in another way in the first panel of Table 8.2. This table reports the impacts on full-time, part-time, and all employment, as well as on earnings, in each of the four years of follow-up. The impacts in the first two quarters of the fifth year are also presented. Table 8.2 confirms what is observed in Figure 8.2. While financial incentives combined with services increased monthly full-time employment among SSP Plus program group members in every year of the follow-up period, services did not have an incremental impact on full-time employment until the fourth year after random assignment. In the fourth year, the monthly full-time employment rate among SSP Plus program group members was 40.1 per cent, compared with a rate of 32.8 per cent among regular SSP program group members.

In the first quarter of the fifth year, the three-year supplement period had ended for virtually all supplement recipients in both program groups.[7] In this quarter, monthly full-time employment was 4.8 percentage points higher in the SSP Plus program group than it was in the regular SSP group. This difference was not, however, statistically significant. The impact of the supplement alone also did not persist into the first quarter of the fifth year.

Understanding the Delayed Incremental Impact of Services on Full-Time Employment

It appears that the combined offer of services and financial incentives affected the employment of welfare recipients differently from the offer of financial incentives alone. While the combined offer had a sustained impact on full-time employment, there was a delay in the incremental impact of the services. This finding implies that in the later months of the follow-up period, when the supplement eligibility period was ending, something about SSP Plus program group members' full-time employment began to change relative to that of the regular SSP program group.

[7] SSP Plus and regular SSP program group members were permitted to start their three-year supplement eligibility period after the 12-month take-up window had closed, provided that they had shown proof of a full-time job offer. This allowance affected very few sample members.

Table 8.2: SSP and SSP Plus Impacts on Employment and Earnings

Outcome	Average Outcome Levels: SSP Plus Program Group	Average Outcome Levels: Regular SSP Program Group	Average Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services	SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone	Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services	SSP Plus vs. Regular SSP: Standard Error
Monthly full-time employment rate [a] (%)									
Year 1	22.4	21.1	12.1	10.3 ***	(2.4)	9.0 ***	(2.4)	1.3	(2.4)
Year 2	33.6	35.9	16.5	17.1 ***	(3.2)	19.5 ***	(3.2)	-2.4	(3.2)
Year 3	36.6	34.1	19.5	17.1 ***	(3.2)	14.6 ***	(3.2)	2.5	(3.2)
Year 4	40.1	32.8	25.7	14.4 ***	(3.5)	7.0 **	(3.5)	7.4 **	(3.5)
Year 5, Quarter 1	38.0	33.2	30.9	7.1 *	(3.9)	2.3	(3.9)	4.8	(3.9)
Year 5, Quarter 2	39.7	33.4	31.3	8.4 **	(4.0)	2.1	(4.0)	6.3	(4.0)
Monthly part-time employment rate (%)									
Year 1	16.0	12.7	16.5	-0.5	(2.1)	-3.8 *	(2.1)	3.3	(2.1)
Year 2	14.7	11.5	18.0	-3.3	(2.7)	-6.5 **	(2.7)	3.2	(2.7)
Year 3	12.6	12.3	18.6	-6.0 **	(2.6)	-6.3 **	(2.6)	0.3	(2.6)
Year 4	13.0	13.3	17.9	-4.9 *	(2.7)	-4.7 *	(2.7)	-0.2	(2.7)
Year 5, Quarter 1	14.4	13.6	19.2	-4.8	(3.1)	-5.6 *	(3.1)	0.8	(3.1)
Year 5, Quarter 2	12.4	12.9	21.4	-9.0 ***	(3.1)	-8.6 ***	(3.1)	-0.5	(3.1)
Monthly employment rate (%)									
Year 1	38.4	33.8	28.6	9.8 ***	(2.4)	5.2 **	(2.4)	4.6 *	(2.4)
Year 2	48.3	47.4	34.4	13.8 ***	(3.3)	13.0 ***	(3.3)	0.8	(3.3)
Year 3	49.2	46.4	38.1	11.1 ***	(3.5)	8.3 **	(3.4)	2.8	(3.5)
Year 4	53.2	46.0	43.6	9.5 ***	(3.6)	2.4	(3.6)	7.2 **	(3.6)
Year 5, Quarter 1	52.4	46.8	50.1	2.3	(4.1)	-3.3	(4.1)	5.6	(4.1)
Year 5, Quarter 2	52.1	46.2	52.7	-0.7	(4.2)	-6.5	(4.1)	5.9	(4.2)

(continued)

Table 8.2: SSP and SSP Plus Impacts on Employment and Earnings (Cont'd)

Outcome	Average Outcome Levels: SSP Plus Program Group	Average Outcome Levels: Regular SSP Program Group	Average Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services		SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone		Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services		SSP Plus vs. Regular SSP: Standard Error
Average earnings ($)												
Year 1	2,945	2,490	1,897	1,048	***	(275)	593	**	(274)	455	*	(274)
Year 2	4,507	4,528	2,966	1,541	***	(416)	1,562	***	(415)	-21		(416)
Year 3	5,330	4,731	3,743	1,587	***	(499)	989	**	(495)	599		(498)
Year 4	6,886	5,300	4,878	2,008	***	(628)	422		(627)	1,586	**	(624)
Year 5, Quarter 1[b]	6,956	5,770	5,808	1,148		(714)	-38		(712)	1,186	*	(710)
Year 5, Quarter 2[b]	7,118	5,784	6,178	940		(738)	-395		(734)	1,334	*	(730)
Sample size	256	258	251									

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: The estimates for each year, with the exception of earnings estimates, are calculated by averaging the four quarterly estimates. Average monthly earnings are calculated by dividing the total yearly earnings by the total number of months in which information is not missing.

Sample sizes vary for individual measures because of missing values.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a] "Full-time employment" is defined as working 30 or more hours in at least one week during the month.

[b] Average earnings for each quarter in Year 5 are annualized by multiplying the quarterly averages of monthly earnings by 12.

Because more members of the SSP Plus program group had ever initiated the supplement, a greater proportion of that group had an incentive to work full time after the first year of the follow-up period. While this fact helps explain why the offer of services had an incremental impact, it does not explain why that impact was delayed. Indeed, although fewer members of the regular SSP program group had an incentive to work full time, employment in that group exceeded employment in the SSP Plus program group for most of the second year of the program.

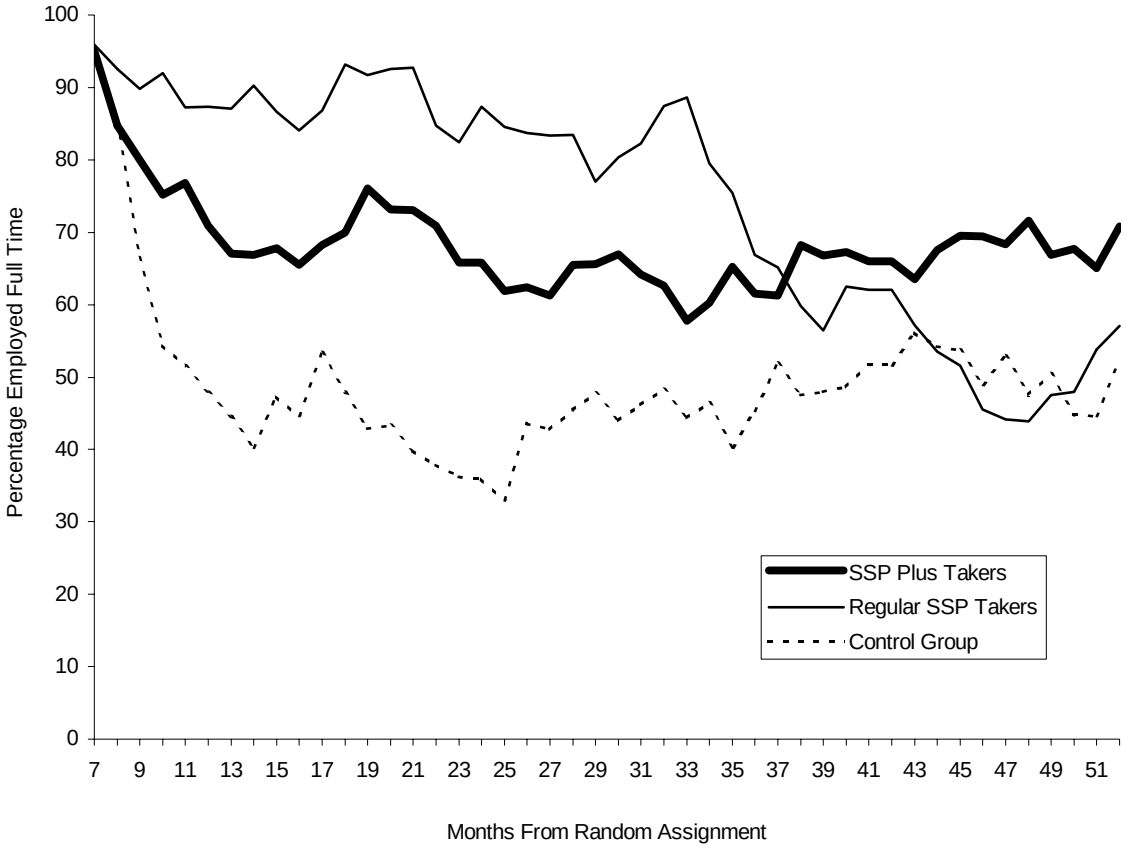
It is possible that members of the SSP Plus program group had initially found full-time employment in the first year to secure access to the supplement in later months and then deliberately left those jobs to pursue other opportunities. Alternatively, the services may have helped SSP Plus program group members overcome employment barriers that were not overcome by members of the regular SSP program group. If this were the case, some supplement takers in the SSP Plus program group might have been less job-ready relative to supplement takers in the regular SSP program group. These workers in the SSP Plus program group may have almost immediately lost their jobs, but later — as their circumstances perhaps improved — had the option to restart supplemented employment. Either scenario would have caused a delayed growth in full-time employment and might help to explain why full-time employment in the SSP Plus program group did not overtake full-time employment in the regular SSP program group until the third year after random assignment.

Conversely, it is possible that a different combination of trends led to the delayed incremental impact. For example, the offer of services may not have generated a surge of employment but instead allowed employment to remain steady in the SSP Plus program group, while, overall, members of the regular SSP program group experienced employment loss. The offer of a generous earnings supplement may have caused participants to find full-time employment that was not sustainable when the supplement was no longer available. Some members of the regular SSP program group may thus have left their jobs when they no longer received the earnings supplement. Others may have lost their jobs and when the supplement was no longer available had no incentive to become re-employed.

In contrast, SSP Plus program group members may have found better jobs or may have been better prepared for full-time work as a result of the services offered. As a consequence, full-time employment may have been more sustainable for SSP Plus program group members even as the supplement became unavailable. In that case, overall employment loss in the regular SSP program group would account for the delayed incremental impact.

In light of the tremendous barriers that many welfare recipients must overcome before working full time, some employment loss is to be expected among former welfare recipients. Figure 8.3 shows the full-time employment rate, in months 7 through 52, for control group members, SSP Plus program group takers, and regular SSP program group takers who were working full time six months after random assignment. In the following year (months 7 through 19) full-time employment fell rapidly for control group members. It appears that although employment also dropped for regular SSP program group members, the financial incentive may have helped curtail the decline in full-time employment for supplement takers. Full-time employment among those takers who were offered services did not fall as quickly as it did for control group members, but these SSP Plus takers employed in Month 6 were not overall as successful as regular SSP takers at remaining employed full-time in that year.

Figure 8.3: Full-Time Employment in Months 7 to 52, for Those Employed Full Time in Month 6



Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

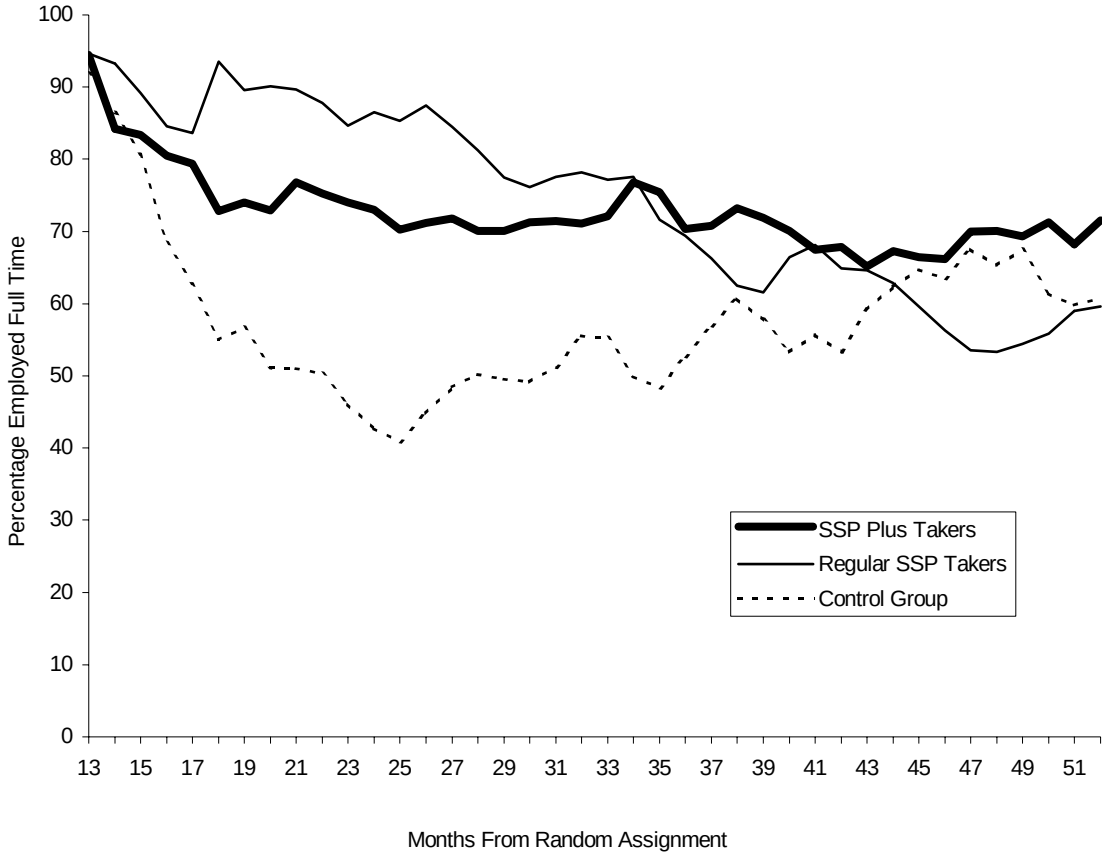
After Month 18 full-time employment among the SSP Plus takers who were working full-time in Month 6 continued to fall, but at a slower rate. Nearly three years after random assignment, full-time employment for regular SSP takers was falling quite rapidly. The rate of job loss was even faster for them than for control group members. Indeed, full-time employment began to rise for control group members. The timing of the decline among regular SSP takers corresponds roughly with the stage when the three-year supplement receipt period was expiring for many participants. In contrast, full-time employment for SSP Plus group members remained fairly constant during the last year and a half of the program.

Figure 8.3 considers the employment loss of those employed in Month 6, which was only midway through the period in which SSP Plus and regular SSP program group members could initiate the supplement. Figure 8.4 shows full-time employment in months 13 through 52 for SSP Plus takers, control group members, and regular SSP takers who were employed full time in Month 12, when the supplement take-up window closed. For the group of SSP Plus takers who were employed full time in Month 12, full-time employment fell in the following six months and then was fairly constant for the remainder of the follow-up.

SSP Plus does not appear to have been sufficient to encourage all of the additional welfare recipients who took up the supplement because of the offer of services to remain employed full time. However, figures 8.3 and 8.4 suggest that for some members of the SSP Plus program group the offer of services helped them to maintain their full-time employment

in the later stages of the follow-up, particularly when the supplement was no longer available. There does not appear to be any evidence that the employment lost early in the follow-up by SSP Plus members was regained later in the program. It is therefore likely that the delay in the incremental impact was due to employment loss in the regular SSP program group.

Figure 8.4: Full-Time Employment in Months 13 to 52, for Those Employed Full Time in Month 12



Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Part-Time and All Employment

SSP was designed to increase full-time employment. This goal could potentially have been accomplished either by encouraging people who would not have worked to find full-time employment or by encouraging people who would have worked part time to increase their hours to full-time. If a movement of program group members from part-time to full-time employment had been largely responsible for the increased full-time employment, then a negative impact on part-time employment would be expected. On the other hand, while the supplement provided no incentive to work part time, it is possible that the SSP Plus services helped some people who might not have worked to find some part-time work and to discover that they preferred some work to no work. If this were the case, then a positive impact on part-time employment could be expected, even though such work did not bring eligibility for the supplement.

The second panel of Table 8.2 reports the average monthly part-time employment rates in all three research groups for the four years of follow-up and the first two quarters of the fifth year. In the first four years, the financial incentives had a negative and significant impact on part-time employment. This impact suggests that when offered a supplement, some members of the regular program group who would have worked part time worked full time instead. However, because the positive effect on full-time employment is much larger than the negative effect on part-time employment, the dominant impact was to encourage those who would not have worked at all to work full time. Adding services to the supplement did not significantly increase or decrease part-time employment in any of the years after random assignment.

The monthly employment rate is the combination of the full- and part-time employment rates and is reported in the third panel of Table 8.2. If the impact of SSP Plus on full-time employment were positive and the impact on part-time employment were negative, there might not have been a net impact on all employment. A positive impact on all employment would require the impact on full-time employment to have been larger than the negative impact on part-time employment.

Since there was little difference between part-time employment in the regular SSP program group and the SSP Plus program group, the incremental impact of services on total employment was similar to the incremental impact on full-time employment. In the second and third years of the follow-up period, adding services to the financial incentive did not significantly increase total employment, but in the fourth year the incremental impact was significant at 7.2 percentage points.

Earnings

Since both the financial incentive and services components of SSP Plus encouraged many welfare recipients to work full time, the program might also have increased their earnings. The last panel of Table 8.2 presents the average yearly earnings for both of the program groups and the control group. Earnings in each of the three groups are averaged across all group members, including those who had zero earnings. In every year of follow-up, the combination of the supplement and SSP Plus services had a significant impact on earnings. Because it takes long-term welfare recipients some time to move into the labour force, the impact on earnings was lower in the first year after random assignment. In the second, third, and fourth years, however, SSP Plus increased earnings by over $1,500 per year, relative to average control group earnings.

The impact that SSP Plus had on earnings comes in part from the effect of offering a supplement and in part from the offer of services. In the second and third years after random assignment, the addition of services did not have a statistically significant incremental impact on earnings over that produced by the financial incentive alone. Thus, in these years the impact on earnings was primarily the result of the financial incentive. By the fourth year the financial incentives alone did not significantly increase earnings. In the same year the SSP Plus services significantly increased earnings by $1,586. Because, as was discussed earlier, relatively more SSP Plus group members remained employed full time, it appears that they were able to maintain their earnings through the fourth year of the program. As a result, SSP Plus group members were, on average, earning more than regular SSP group members even as they became ineligible for the supplement.

In the first quarter of the fifth year after random assignment, members of the regular SSP group, on average, earned slightly less than the control group. In contrast, average earnings among members of the SSP Plus group were $287 higher than among members of the control group. While neither of these differences was statistically significant, the addition of services did have a significant impact on earnings in the first quarter of the fifth year over the offer of the supplement alone. During this quarter, relative to members of the regular SSP group, members of the SSP Plus group earned an average of $334 more.

The trend continued in the second quarter of Year 5. Members of the regular SSP group earned less, on average, than members of the control group and SSP Plus group. The difference in earnings between members of the SSP Plus group and regular SSP group members was statistically significant. Indeed, the incremental impact of services on earnings grew from the first to the second quarter of Year 5.

Wages

SSP was designed so that the earnings supplement was generous enough to make work pay more than welfare. The financial incentive, therefore, made full-time work attractive relative to other alternatives. One danger with this design was that some welfare recipients might have accepted jobs with lower wages than the jobs they might have otherwise have accepted in order to receive the supplement. On the other hand, the services offered to SSP Plus group members might have made them better able to compete for jobs offering higher wages.

Table 8.3 provides evidence that neither the supplement alone nor SSP Plus increased the likelihood that welfare recipients accepted low-wage jobs in order to receive the supplement. Neither program had a significant impact on the proportion working in jobs that paid less than minimum wage or in jobs that paid wages between minimum wage and $1.99 above minimum wage. SSP Plus, however, did increase the proportion working in jobs that paid at least $2 more than the minimum wage. Members of the SSP Plus group were 9.4 percentage points more likely than members of the regular SSP group to be working in a job that paid $2 or more above the minimum wage. This finding suggests that the addition of services did help welfare recipients secure higher-paying jobs.

IMPACTS ON CASH TRANSFERS

In order to receive the supplement, welfare recipients had to leave income assistance and find full-time work. Because SSP Plus had an impact on supplement receipt and full-time employment, it should also have had an impact on cash transfers to participants. Table 8.4 reports the monthly rate of IA receipt, the amount of IA, and the amount and monthly rate of IA and SSP combined.

Table 8.3: SSP and SSP Plus Impacts on the Distribution of Wages, Month 52

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Hourly wage rate (% in each category)									
Not working	47.0	54.2	49.0	-2.0	(4.3)	5.2	(4.3)	-7.2 *	(4.3)
Wage unreported[a]	1.6	2.4	4.7	-3.0 **	(1.5)	-2.3	(1.5)	-0.8	(1.5)
Less than minimum wage[b]	6.7	7.0	7.1	-0.4	(2.3)	-0.1	(2.3)	-0.3	(2.3)
Minimum to $1.99 above minimum	18.1	19.2	20.7	-2.5	(3.5)	-1.4	(3.5)	-1.1	(3.5)
$2 or more above minimum	26.2	16.8	18.6	7.6 **	(3.5)	-1.8	(3.4)	9.4 ***	(3.5)
Sample size (total = 765)	256	258	251						

Source: Calculations from 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]Sample members in this category were employed during the month but did not report enough information about hours worked for the question to be calculated.
[b]In New Brunswick the minimum wage was $5.50 in Month 52 for all respondents.

Table 8.4: SSP and SSP Plus Impacts on Income Assistance and Cash Transfers

Outcome	Average Outcome Levels: SSP Plus Program Group	Average Outcome Levels: Regular SSP Program Group	Average Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services	SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone	Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services	SSP Plus vs. Regular SSP: Standard Error
Monthly rate of IA receipt (%)									
Year 1	81.9	82.5	90.9	-9.1 ***	(2.0)	-8.4 ***	(2.0)	-0.6	(2.0)
Year 2	57.1	59.3	75.5	-18.4 ***	(3.5)	-16.2 ***	(3.4)	-2.3	(3.5)
Year 3	50.4	55.7	69.2	-18.8 ***	(3.6)	-13.5 ***	(3.6)	-5.3	(3.6)
Year 4	44.3	55.3	61.5	-17.3 ***	(3.7)	-6.2 *	(3.7)	-11.0 ***	(3.7)
Year 5	42.9	51.7	54.5	-11.6 ***	(3.8)	-2.8	(3.8)	-8.8 **	(3.8)
Year 6, Quarter 1	39.3	48.1	49.2	-9.9 **	(4.1)	-1.1	(4.1)	-8.8 **	(4.1)
Year 6, Quarter 2	39.7	46.2	46.0	-6.4	(4.1)	0.2	(4.1)	-6.6	(4.1)
Average IA payments ($)									
Year 1	7,083	7,142	7,752	-669 ***	(191)	-610 ***	(190)	-59	(190)
Year 2	5,041	5,150	6,473	-1,432 ***	(320)	-1,323 ***	(319)	-109	(320)
Year 3	4,461	4,968	6,034	-1,573 ***	(342)	-1,066 ***	(340)	-507	(341)
Year 4	3,990	4,849	5,423	-1,433 ***	(350)	-575 *	(348)	-859 **	(349)
Year 5	3,731	4,426	4,594	-862 **	(351)	-167	(350)	-695 **	(351)
Year 6, Quarter 1[a]	3,453	4,056	4,196	-743 **	(375)	-140	(373)	-603	(374)
Year 6, Quarter 2[a]	3,492	3,969	3,913	-421	(376)	56	(374)	-477	(375)
Monthly rate of receipt of IA or SSP (%)									
Year 1	92.9	93.0	90.7	2.2	(1.6)	2.3	(1.5)	-0.2	(1.6)
Year 2	85.1	84.0	75.6	9.4 ***	(2.7)	8.4 ***	(2.7)	1.0	(2.7)
Year 3	79.8	80.2	69.3	10.5 ***	(3.1)	10.9 ***	(3.0)	-0.4	(3.1)
Year 4	64.9	67.8	61.7	3.1	(3.3)	6.1 *	(3.3)	-3.0	(3.3)
Year 5	43.8	52.1	54.5	-10.7 ***	(3.8)	-2.4	(3.8)	-8.3 **	(3.8)
Year 6, Quarter 1	39.3	48.1	49.2	-9.9 **	(4.1)	-1.1	(4.1)	-8.8 **	(4.1)
Year 6, Quarter 2	39.7	46.2	46.0	-6.4	(4.1)	0.2	(4.1)	-6.6	(4.1)

(continued)

Table 8.4: SSP and SSP Plus Impacts on Income Assistance and Cash Transfers (Cont'd)

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Average payments from IA and SSP ($)									
Year 1	8,542	8,425	7,731	811 ***	(174)	694 ***	(173)	117	(173)
Year 2	7,895	7,641	6,489	1,406 ***	(272)	1,152 ***	(271)	254	(272)
Year 3	7,229	7,272	6,044	1,186 ***	(307)	1,228 ***	(306)	-42	(306)
Year 4	5,863	6,026	5,445	418	(324)	581 *	(322)	-163	(323)
Year 5	3,808	4,458	4,596	-788 **	(349)	-138	(347)	-650 *	(348)
Year 6, Quarter 1[a]	3,453	4,056	4,196	-743 **	(375)	-140	(373)	-603	(374)
Year 6, Quarter 2[a]	3,492	3,969	3,913	-421	(376)	56	(374)	-477	(375)
Sample size (total = 765)	256	258	251						

Sources: Calculations from income assistance (IA) administrative records and SSP's Program Management Information System payment recor ds.

Notes: The estimates for each year are calculated by averaging the four quarterly estimates.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

[a]Average payments for each quarter in Year 6 are annualized by multiplying the quarterly averages of monthly earnings by 12.

Receipt of Income Assistance

The first panel of Table 8.4 shows that both programs' impacts on IA were roughly the inverse of their impacts on full-time employment. Relative to the control group, both programs reduced IA receipt in the first four years of the program. In the third year SSP Plus reduced the incidence of IA receipt by nearly 19 percentage points, and regular SSP reduced IA receipt by 13.5 percentage points. By the fourth year the impact of regular SSP had dropped to only 6.2 percentage points. In contrast, in the same year SSP Plus reduced IA receipt by 17.3 percentage points. This difference reproduced an incremental impact of services on welfare receipt of 11.0 percentage points. The incremental impact continued, although it was smaller at 8.8 percentage points, in the fifth year after random assignment. By this point, the three-year supplement period had expired for all members of both program groups. Thus, even when the supplement was no longer available, many more SSP Plus group members continued to maintain their self-sufficiency.

Amount of IA Payments

Since SSP Plus reduced the number of people receiving IA, it should also have reduced the average payment amounts per program group member. The second panel of Table 8.4 shows that SSP Plus did have a significant impact on IA amounts. In every year SSP Plus group members, on average, received less in IA benefits relative to the control group. The addition of services did not, however, have a significant incremental impact until the fourth year. The impact persisted through to the fifth year, when there was a reduction of $695 in average yearly IA benefit payments resulting from the addition of services. By the first quarter of the sixth year, the addition of services no longer had a significant incremental impact on the average IA payment amount.

Receipt of Income Assistance or SSP

Of the people in both program groups who left IA, some would have left because they wanted to receive the supplement, while others would have left even if they had not been offered the supplement. Regardless of why they left IA, members of the program groups who had been employed full time within one year of random assignment were eligible for the supplement. Thus, the extent to which SSP altered the proportion who received either IA or the supplement depends on how many people left income assistance because of the supplement and how many would have left anyway. If many supplement recipients would have left IA without the supplement offer, then the impact on receipt of the supplement or IA would have been much larger than the impact on income assistance alone.

The third panel of Table 8.4 reports the monthly rate of receipt of income assistance or the supplement in the five years of follow-up and the first two quarters of the sixth year. In the first four years members of the SSP Plus group were neither more nor less likely to receive either income assistance or the supplement, relative to members of the regular SSP group.

Because the three-year supplement period ended for members of both program groups by the fifth year, the impact on IA or supplement receipt became roughly equivalent to the impact on income assistance by that point. In the fifth year of follow-up, IA or supplement receipt was 10.7 percentage points lower for members of the SSP Plus group compared with members of the control group. In contrast, members of the regular SSP group were only a

statistically insignificant 2.4 percentage points more likely than members of the control group to be receiving income assistance or the supplement. Thus the provision of services incrementally reduced IA or supplement receipt by 8.3 percentage points.

Amount of IA and SSP Payments

The final panel of Table 8.4 provides a measure of each program's impact on combined IA and supplement cash transfers. In the first four years of follow-up, both programs increased the combined amount that program group members received from IA and the supplement. However, in the fourth year, the difference between average payments to SSP Plus group members and to control group members was not statistically significant. Adding services to the financial incentive did not have an incremental impact in any of the first four years. By the fifth year, however, when the supplement was no longer available, the average IA and supplement payment amount was $650 lower as a result of providing services. This suggests that although the services did incrementally increase receipt of the supplement, the increase in supplement receipt was offset by a reduction in IA receipt, leading to no net increase in the combined transfers.

IMPACTS ON HOUSEHOLD INCOME AND POVERTY

SSP Plus increased average earnings and full-time employment among welfare recipients, while also reducing the average amount of income assistance received and increasing the proportion who received a supplement. Because of these impacts, it is to be expected that SSP Plus also affected household income and poverty. Moreover, while earnings, income assistance, and supplement payments formed the largest sources of income over the follow-up period, participants also received income from other sources that may have been affected by the program.

The average monthly income in the six months prior to the 54-month follow-up interview is reported in the first panel of Table 8.5. This amount includes income received from earnings, the supplement, and IA payments, as well as other transfer payments and other unearned income. The first three lines of this panel present earlier reported findings. Adding services to the financial incentives significantly increased earnings while reducing the amount of IA received in the average month. In the six months before the 54-month interview, very few members of either program group were still eligible for the supplement. Consequently, the average amount of income from the supplement was rather low. On average, members of the SSP Plus group received $15 per month, while members of the regular SSP group received about $9 per month.

A substantial portion of welfare recipients' income comes from other transfer payments. These include Employment Insurance, the Child Tax Benefit, and the Goods and Services Tax credit. SSP Plus program group members received an average of $306 from these other transfers during the six months prior to the 54-month follow-up interview. This amount was $44 more per month than regular SSP group members received; thus the services had a positive incremental impact on other transfers.

The increase in earnings and other transfer payments more than offset the reduction in income assistance, leading to an increase in total individual income for SSP Plus program group members. In the six months prior to the follow-up interview, the additional services increased total individual income by $119. Net of taxes, members of the SSP Plus group were still receiving $108 more per month than regular SSP group members.

Table 8.5: SSP and SSP Plus Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 54-Month Follow-Up Interview

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Sources of individual income ($)									
Earnings	585	481	500	85	(58)	-19	(58)	104 *	(58)
SSP supplement payments	15	9	1 [a]	15 ***	(5)	8 *	(5)	7	(5)
Income assistance payments	321	375	413	-92 ***	(30)	-37	(30)	-54 *	(30)
Other transfer payments[b]	306	262	271	34 *	(20)	-10	(20)	44 **	(20)
Other unearned income[c]	61	44	54	7	(12)	-11	(12)	17	(12)
Total individual and family income ($)									
Total individual income	1,292	1,173	1,242	50	(52)	-69	(52)	119 **	(51)
Total individual income net of taxes	1,228	1,119	1,184	43	(45)	-65	(45)	108 **	(44)
Total family income[d]	1,613	1,477	1,571	43	(94)	-94	(93)	137	(93)
Incidence of low income (%)									
Income below the low income cut-offs[e]	79.2	80.0	79.7	-0.5	(3.9)	0.3	(3.9)	-0.8	(3.9)
Below 50% of LICOs	20.8	28.4	21.6	-0.9	(4.2)	6.7	(4.2)	-7.6 *	(4.2)
50 to 75% of LICOs	38.2	39.3	35.7	2.5	(4.8)	3.6	(4.8)	-1.1	(4.8)
75 to 100% of LICOs	20.2	12.3	22.4	-2.2	(3.9)	-10.1 ***	(3.8)	7.9 **	(3.8)
Income above LICOs	20.8	20.0	20.3	0.5	(3.9)	-0.3	(3.9)	0.8	(3.9)
Sample size (total = 765)	256	258	251						

Sources: Calculations from 54-month follow-up survey data, income assistance (IA) administrative records, and payment records from SSP's Program Management Information System.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differences.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent. Rounding may cause slight discrepancies in sums and differences.

[a] Control group members appear to have received, on average, $1 in supplement income because the estimates are adjusted using a regression model. No control group member actually received a supplement payment.

[b] Includes the Child Tax Benefit, the Goods and Services Tax Credit, Employment Insurance, and provincial tax credits.

[c] Includes alimony, child support, income from roomers and boarders, and other reported income.

[d] Family income is measured as the sum of the sample member's income and the labour earnings of any other members of that person's family.

[e] Calculated by comparing annualized family income with the low income cut-off (LICO) defined by Statistics Canada for the sample's location and family size.

Possibly because of the incremental increase in income, fewer members of the SSP Plus control group, relative to the regular SSP group, experienced very low levels of income in the six months prior to the 54-month follow-up interview. In the final panel of Table 8.5, the proportions of each research group experiencing income below Statistics Canada's low income cut-offs (LICOs)[8] are reported. While large proportions of each research group — over three quarters — had income below LICOs, neither SSP Plus nor regular SSP significantly reduced these proportions. The addition of services did, however, incrementally reduce the proportion with income less than half of LICOs. Concurrently, the addition of services increased the proportion with income that was between 75 per cent and 100 per cent of LICOs. This finding suggests that the addition of services did not provide enough income to lift people out of poverty but instead reduced the proportion with the very lowest incomes.

CUMULATIVE IMPACTS ON EMPLOYMENT, EARNINGS, AND INCOME ASSISTANCE

The combined offer of a financial incentive and employment-related services appears to have consistently improved SSP Plus group members' full-time employment and earnings while also reducing their dependence on income assistance, relative to the control group. In contrast, the impacts of the financial incentive alone and the incremental impact of services have varied over time. In the first four years of the program, the financial incentive significantly increased full-time employment and earnings and reduced income assistance; the impacts of the financial incentives began to decline, however, and by the fifth year of follow-up they were not statistically significant. In contrast, the offer of services did not incrementally impact full-time employment until the fourth year; a similar pattern was observed in the incremental impacts on earnings and IA receipt (see tables 8.2 and 8.4).

Because the two components of SSP Plus — a financial incentive and services — differentially affected program group members at various points in time, it is difficult to assess the net effect of the program. Policy-makers considering whether to add services to a financial incentive might conclude that services would be a useful addition if they assessed the services' incremental impact toward the end of the follow-up period. Conversely, they might consider the services to be an unnecessary addition if they examined how services had incrementally affected people two years after random assignment.

One way to examine the net effect of the programs is to consider the impacts on cumulative measures. Table 8.6 presents the programs' impacts on cumulative full-time employment, earnings, and IA receipt. The first row shows the average number of months in which sample members worked full time in the first 52 months after random assignment. As a result of both regular SSP and SSP Plus, participants worked many more months during the follow-up period than they might have otherwise. On average, members of the SSP Plus group worked over seven more months, while members of the regular SSP group worked six more months, than they would have in the absence of the programs. Yet because the one-month difference in the SSP Plus and regular SSP program groups' cumulative full-time employment was not statistically significant, the addition of services did not incrementally impact the number of months worked full time.

[8] The plural forms ("low income cut-offs" and "LICOs") are used because there are actually several cut-offs. Low income cut-offs vary by family size and size of community.

Table 8.6: SSP and SSP Plus Impacts on Cumulative Full-Time Employment, Earnings, and IA Receipt in Months 1 to 52

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Number of months of full-time employment	17.5	16.2	10.1	7.4 ***	(1.3)	6.1 ***	(1.3)	1.3	(1.3)
Total earnings ($)	21,654	18,449	14,821	6,833 ***	(1,618)	3,628 **	(1,610)	3,206 **	(1,615)
Number of months receiving income assistance	29.8	32.5	38.0	-8.2 ***	(1.4)	-5.5 ***	(1.4)	-2.7 *	(1.4)
Sample size (total = 765)	256	258	251						

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

Together the financial incentives and services increased the average earnings of SSP Plus group members, relative to control group members, by $6,833 over 52 months of follow-up. The financial incentive alone increased earnings in this same period by $3,628; thus the addition of services incrementally increased earnings by $3,206. The incremental impact on earnings occurred even though SSP Plus group members did not work in more months, relative to regular SSP group members. This statistically significant impact suggests that the increase in earnings resulted from higher wages and salaries.

Over the course of the follow-up period, SSP Plus also decreased the average number of months in which SSP Plus program group members received income assistance. On average, SSP Plus group members received income assistance about 30 of the 52 months of follow-up, compared with an average of 38 months among control group members. SSP Plus group members received income assistance in about three fewer months on average, relative to regular SSP group members, as a result of the addition of services to the financial incentive.

CONCLUSIONS

Adding an offer of employment-related services to the financial incentive encouraged many more welfare recipients to take up the SSP supplement. The offer of services incrementally affected employment differently throughout the follow-up period. During most of the first three years of the program, full-time employment in the SSP Plus group was not statistically different from that in the regular SSP group. Toward the end of the third year, however, more members of the SSP Plus group, relative to the regular SSP group, were working full time. This impact did not persist to the beginning of the fifth year after random assignment.

If impacts on full-time employment were the only yardstick with which to measure a program's success, it is not clear what conclusions would be drawn about SSP Plus. SSP Plus also incrementally reduced dependence on income assistance, increased earnings, and increased the proportion working in relatively higher-wage employment, however, and these effects might also influence the assessment of SSP Plus. A comparison of the benefits derived from SSP Plus and the costs associated with the program could provide a framework from which conclusions could be drawn. Unfortunately, a benefit-cost analysis is not practical for such a small sample.

SSP Plus has demonstrated that adding services to a financial incentive can significantly change people's behaviour. Yet questions about how the offer of services affected those changes remain. Further research, with larger samples, could shed light on whether a different set of services might produce different results. Evidence from larger samples would also increase evaluators' confidence that findings can be replicated in nationally implemented programs.

Chapter 9:
Learning From the SSP Recipient Study

This is the final chapter of the last full report on the Self-Sufficiency Project (SSP) recipient study. This study has run for nearly 10 years. To help understand what SSP has achieved over that time, it is worth returning to its original aim, captured in the first line of the first report on SSP, published eight years ago:

> The Self-Sufficiency Project (SSP) is a research and demonstration project designed to determine whether making work pay more than welfare will help interested single parents choose work over Income Assistance (Lin, Currie Vernon, & Mijanovich, 1994, p. 1)

The project thus had twin goals: to create credible evidence about the effects of changing policy and to demonstrate that a particular policy — focused on earnings supplements — could be effective. SSP has been a success on both counts. The study has been able to determine the effect on income assistance (IA) recipients of "making work pay," because a completely new earnings supplement system has been implemented effectively in two provinces and evaluated rigorously using random-assignment approach. In turn, this evidence has shown that when work does pay more than welfare, many more single parents will choose work over welfare. What is more, the peak impacts of SSP on employment and income assistance have been among the highest observed in voluntary welfare-to-work programs so far evaluated in North America using random-assignment methods.

This chapter focuses on what policy-makers can and should learn from SSP. It does so first by reviewing the main study impacts emerging from the SSP study, then by looking at how these and other findings from this report answer the original research questions that were set for the study at the beginning of the project. These original questions are listed in the accompanying text box. Next, the chapter considers what has been learned from the project, both as a caution to future policy implementation and as a cue for further research. Finally, the chapter briefly considers potential challenges in the application of lessons learned from SSP to future policy.

WHAT DID SSP DO?

The SSP study operated a new program, based on earnings supplements, as a demonstration. The demonstration was then evaluated to determine the answers to the set of research questions listed in the accompanying text box. The answers to these research questions, provided by the evaluation, are presented in the next section. First, it is worth reiterating what the program itself produced. What did SSP do, as a program, for its target population of welfare recipients?

The preceding chapters describe in considerable detail the effects of SSP over the five-year follow-up period. Despite the diversity of reported effects, it is worth remembering that the actual SSP program under test was not diverse. SSP offered a particular package of design features closely focused on providing a financial incentive for the transition to full-

time employment. This narrowly focused package generated a large range of effects, some of which — like positive child outcomes — were unanticipated by the original research questions. Only one variant to this package was tested for the same target group: the addition of employment services in SSP Plus.

The Major Questions to Be Addressed by the SSP Research

1. To what extent will long-term IA recipients choose work over welfare when work is made financially more attractive than income assistance?
2. Across a broad cross-section of long-term, single-parent welfare recipients, what are the characteristics of recipients who are most likely to take advantage of the supplement offer?
3. Of those who take advantage, which subgroups benefit the most from the program?
4. Does the supplement make a net difference in employment, earnings, welfare receipt, and poverty? What patterns of employment and earnings emerge over time?
5. Does the supplement reduce the rate at which people leave employment and return to income assistance and thus promote more lasting connections to the labour market?
6. What happens to employment, income, and welfare receipt when the three-year supplement period ends?
7. Does the supplement induce new IA applicants to remain on social assistance longer than they would have in the absence of the SSP program?
8. Is the program cost-effective from the points of view of IA recipients, government, and society, given the changes the program causes in employment, welfare, and poverty?

Source: Lui-Gurr et al., 1994, p. 5.

The effect of offering the earnings supplement alone is considered first below. This consideration is followed by a discussion of the additional effect of adding an offer of employment services to the supplement (SSP Plus).

The Impact of the Earnings Supplement Offer

The pattern and magnitude of SSP's impacts across the entire sample of long-term welfare recipients through the four-and-a-half year follow-up period are documented in two chapters: economic impacts in Chapter 3 and effects on children and families in Chapter 5.

Chapter 3 shows that SSP's major impacts during the first year following the supplement offer included a reduction in IA receipt and an increase in full-time employment. Both these impacts reached their peak during the second year. Large but somewhat weaker impacts were observed on overall employment and dollar amounts of income assistance. Families offered the supplement were less likely to experience severe poverty during the period of supplement receipt. The impacts on full-time employment were still much in evidence in Year 3 and

Year 4, although the level of these effects fell somewhat from their peak in Year 2. The negative impacts on income assistance remained significant through Year 5.[1]

Chapter 5 reports impacts on children using a number of measures that were repeated over several surveys. Questions were asked in the 36- and 54-month surveys about social behaviour (of children who were infants and toddlers[2] at random assignment and children who were preschoolers[3] at random assignment) and about academic achievement (of children who were preschoolers at random assignment). Responses indicated some positive impacts on academic achievement among children who were preschoolers at random assignment, during the period that parents were still eligible for the supplement. The reduction in the proportion below average achievement in any subject continued beyond supplement eligibility. Two more impacts — a higher proportion above average in any subject and a lower proportion not in special education — were also present after the end of supplement eligibility.

The pattern of the above economic and related impacts was relatively similar across all outcomes: all the impacts grew in the early years of supplement receipt and then gradually declined. The relative magnitude differed, however. The size of SSP's maximum impacts on full-time employment, total income, and welfare receipt exceeded those on poverty relief and child outcomes.[4] Given that SSP was a policy intervention focused on full-time employment and welfare exit, such a difference in the magnitude of impacts would be expected. The impacts on total poverty and child well-being are important but secondary to the objectives set for SSP. What the pattern and magnitude of impacts indicates is that SSP was appropriately designed to achieve its major goal of assisting single-parent long-term welfare recipients choose work over welfare. This is what SSP did.

A different way to summarize what SSP did is to assess its cumulative effect on families over time. The key economic outcomes are repeated from Table 9.1, but this time what is compared is the cumulative experience of the program and control groups over the follow-up period. Over this space of time, program group members spent an average of 4.3 more months in full-time employment and 4.3 fewer months in receipt of income assistance. Given SSP's rules, the fact that the two numbers are mirror images of each other is not surprising. To obtain earnings supplements, program group members had to find full-time jobs and leave income assistance. The two results emphasize SSP's main effect of getting families to substitute full-time work for IA receipt. The impacts on earnings and IA payments again emphasize the same story. Increases in earnings over the period more or less matched the reduction in total IA receipt.

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[1] It should be noted that the observation period for most other outcomes did not fully cover this year.

[2] These children were 1 or 2 years of age at random assignment and 5.5 to 7.5 years of age (at least 5.5 years of age but less than 7.5 years of age) by the time of the 54-month follow-up survey.

[3] These children were 3 or 4 years of age at random assignment and 7.5 to 9.5 years of age (at least 7.5 years of age but less than 9.5 years of age) by the time of the 54-month follow-up survey.

[4] This comparison of the magnitude of effects used effect sizes, which are computed by dividing the difference between the program and control group outcomes by the standard deviation, or average amount of variation within the particular outcome under consideration, in the control group. This procedure effectively standardizes the units over which different impacts are measured and permits impacts on very different kinds of outcomes to be compared.

The final two panels of Table 9.1 show how the cumulative impact on IA receipt extended beyond the 54 months covered by survey. Impacts over the 70 months following random assignment covered by administrative records are somewhat larger than over the survey period. In fact, 1 out of every 12 months by which IA receipt was reduced and 1 out of every 16 dollars saved in IA expenditure came from the period following the 54-month interview.[5]

From Table 9.1 and the results presented in chapters 3 and 5, it is clear that SSP has had a major impact on the lives of those who took up. The impacts on employment and exit from income assistance are some of the largest seen in a North American random-assignment demonstration. The program group achieved results on these economic outcomes within a single year that the control group would not reach until after two, three, or four years. This accomplishment produced cumulative or "lifetime" gains on these outcomes for families. Chapter 3 shows how a combination of job loss among the program group and "catch-up" among the control group meant that impacts gradually declined. One way to summarize the effect of the SSP program for long-term welfare recipients is thus to say that it accelerated by up to three years their transition to employment.

Table 9.1: Cumulative SSP Impacts on Full-Time Employment, IA Receipt, Earnings, and IA and Supplement Payments

Outcome	Program Group	Control Group	Difference (Impact)		Standard Error
Total number of months in months 1 to 54					
Employed full time	14.0	9.7	4.3	***	(0.4)
Received IA	35.5	39.9	-4.3	***	(0.5)
Total amount in months 1 to 54 ($)					
Earnings	19,999	16,593	3,406	***	(811)
IA payments	30,363	33,685	-3,321	***	(522)
Earnings, IA, and supplement payments combined	56,863	50,274	6,589	***	(747)
Total number of months in months 1 to 70					
Received IA	43.4	48.1	-4.7	***	(0.7)
Total amount in months 1 to 70 ($)					
IA payments	36,460	40,009	-3,548	***	(655)
Sample size (total = 4,852)	2,460	2,392			

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, SSP's Program Management Information System.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

The Additional Impact of Employment Services

For a separate part of the SSP study, the offer of financial incentive payments was complemented by the offer of a range of services intended to help participants locate and keep suitable employment. Further lessons about the impact of SSP can be developed from the findings of this SSP Plus study (see Chapter 8). The small sample size means that the findings cannot carry as much weight as the main study findings just described. However, the

[5] These estimates are obtained by considering the proportion of the 70-month impact of SSP that is accounted for by the difference between 54-month and 70-month impacts. For example, in the case of IA receipt, this is (4.7-4.3)/4.7 = 0.085 or one twelfth.

general pattern of impacts within the SSP Plus study was similar, allowing at least some confidence in additional lessons to be learned from the SSP Plus study. Further research will be required to put these lessons to the test before they can be used as a basis for policy.

Chapter 8 emphasizes the effects of offering the SSP supplement with employment services as the incremental impacts of offering services over and above the effect of the supplement alone. Netting out the effect of the supplement shows how the effect of adding services was largely to add to the impacts of the supplement, established elsewhere in this report.

SSP Plus yielded relatively few significant additional impacts early on in the study. The key difference that emerged early on was that SSP Plus allowed a larger proportion — in fact, more than half — of those offered services to start a full-time job within a year, and thus to initiate the supplement. In contrast, among those offered the supplement alone, only about a third took it up. In other words, the combination of incentives plus employment-related services in SSP Plus helped move more people into full-time employment faster than the supplement-only offer was able to do. However, the average full-time employment rates of the SSP Plus group and the supplement-only group over this period were comparable because those offered employment services also lost their jobs and moved out of full-time employment more quickly.

In the period immediately following the one-year entitlement phase, employment impacts were similar in the main study and the SSP Plus sub-study and in both were at their largest.[6] Despite the initial high rate of job loss among the SSP Plus sample, the rate of decline in full-time employment impacts for this group slowed considerably compared with those offered the supplement alone. The addition of services thus had its maximum impact on employment, earnings, and IA receipt compared with the offer of the supplement alone quite late in the study, in Year 4. Over the follow-up period, the impact on earnings for those offered SSP Plus was almost double the impact for people offered the supplement alone. At the beginning of the sixth year following random assignment, SSP Plus impacts on IA receipt remained statistically significant.

Therefore, SSP Plus did two things:

- It produced a larger effect on entry into full-time employment early on than did the offer of a supplement alone. The offer of services in SSP Plus thus must have helped additional people into work who would not have secured full-time work so quickly aided only by the availability of a supplement.
- Later, in Year 4, people working full time following the offer of SSP Plus did not suffer the same rate of net job loss as those offered the supplement alone. This outcome was likely due to some combination of additional employment services helping those who lost full-time employment early on during supplement receipt to find new employment, and these services helping those who did secure employment to stay in work for a longer time. The analysis in Chapter 8 suggests that the second of these was the most important.

[6] Chapter 8 shows that during the following two and a half years, the employment rates of the SSP Plus group did not gradually decline, as was the case with those offered the supplement alone. Full-time employment rates fluctuated but gradually grew among those offered SSP Plus services.

Given the earlier conclusion that supplement-only SSP accelerated acquisition of full-time employment by three to four years, it follows that the acceleration due to SSP Plus was more sustainable. The effects of SSP Plus program services lasted considerably longer than the period over which they were delivered.

What SSP Plus did better that the supplement alone was to help keep recipients in work. The overall observed trend for SSP Plus was thus a somewhat more sustained acceleration in employment, with observed benefits to families lasting longer than the duration of the supplement and services themselves.

WHAT HAS BEEN LEARNED FROM THE SSP STUDY?

The previous section presented a "broad brush" picture of what SSP did for families over a five-year period. It showed that SSP accelerated families through a transition into full-time employment and off welfare. In the process, fewer experienced severe poverty. Offering the SSP earnings supplement took families to levels of employment and welfare outcomes that they would not have reached in the absence of the offer for another two to three years. Offering SSP Plus employment services in addition to the earnings supplement took families to levels that they would not normally have expected to reach until at least three years later.

The next stage is to assess how the knowledge gained about what SSP does helps to answer key questions of relevance to policy-makers. The SSP study was initiated because there were several unknowns about the likely effects of implementing employment or welfare policies based on earnings supplements in Canada. The SSP design was developed so that careful implementation of its particular program of earnings supplementation, within a random-assignment evaluation design, would help to turn these policy unknowns into knowns. The answers would contribute to a refinement of understanding about existing policy and the development of new policy.

The very first report on SSP set out the major research questions the study was to answer (see text box, page 170). These eight questions are repeated in their original order below, with the answers the study has provided.

To what extent will long-term IA recipients choose work over welfare when work is made financially more attractive than income assistance?

The SSP supplement design did make full-time work pay more than welfare for the vast majority of single-parent, long-term welfare recipients.[7] For a participant who worked 30 hours each week at minimum wage, the supplement resulted in more than a doubling of pre-tax income.

By the end of the first year after random assignment, when the window for taking up the supplement had ended, members of the program group were nearly twice as likely as members of the control group to be working full time. The impact remained strong through most of the follow-up period. Concurrently, receipt of income assistance was reduced. Both

[7] An analysis of generosity at the 18-month follow-up found that only 7 families out of over 2,600 in the program group that was offered SSP would have had higher net incomes under income assistance than under SSP (Lin et al., 1998, p. 92).

impacts were no longer significant by the study's end. However, the program reduced payments from income assistance by about $3,300 per family over the 54-month follow-up. Precise estimates of employment and welfare impacts are presented in Chapter 3.

Across a broad cross-section of long-term, single-parent welfare recipients, what are the characteristics of recipients who are most likely to take advantage of the supplement offer?

In total, 36 per cent of the long-term IA recipients offered the supplement obtained full-time employment in time to become supplement takers. Within this already disadvantaged population, those who were more prepared for the labour force — with more education, more work experience, and fewer barriers to work — were more likely to take up the supplement offer. Chapter 2 reports that the most commonly cited reasons for not receiving the supplement were inability to find a job, personal or family responsibilities, and health problems or disabilities. For example, a person with an illness or disability that prevented work at the time the offer was made was only about two thirds as likely to become a taker as an otherwise identical person without an illness or disability.

At the same time, the supplement cut across some traditional employment barriers. There was no significant difference in response to the offer from two groups who often find the transition to full-time work problematic — those with large families and those with children under age 6, compared with those with fewer or older children. People with First Nations ancestry were not significantly less likely to take up the supplement than other population groups.

Of those who take advantage of the supplement offer, which subgroups benefit the most from the program?

Chapter 4 shows that SSP's impacts on full-time employment were spread quite evenly across a broad range of socio-economic and demographic subgroups. SSP significantly increased full-time employment rates regardless of high school graduation status, health status, or age of youngest child. As might have been expected, the early impacts tended to be larger among people who appeared more job ready or who faced fewer barriers to employment. Nonetheless, there was no readily identifiable group for whom SSP did not increase employment and reduce IA receipt.

Does the supplement make a net difference in employment, earnings, welfare receipt, and poverty rates? What patterns of employment and earnings emerge over time?

SSP increased employment throughout the period when parents could receive the supplement. The program's effects grew steadily in the first year after random assignment, and the program doubled full-time employment by the start of the second year. The effects on full-time employment remained strong throughout and beyond the second year, although they began to decline gradually as a result of both job loss among program group members and control group catch-up, as more control group members found jobs, and were no longer significantly different by the end of the follow-up period. Chapter 3 presents several figures that illustrated this pattern of impacts over time.

Impacts on earnings followed a similar pattern. For example, the program's effect on earnings grew from $47 per month per person in the first year to $101 per month in the second year and was still $52 per month in the fourth year. Likewise, the program reduced IA receipt by more in the second year (by about 13 percentage points) than in the first year or the fourth year (about 6 percentage points in each year).

The program accelerated movement into full-time employment, producing impacts through four years after the offer was first made. Over the study period, this acceleration created increases in total earnings of more than $3,400 per program group member, and increases in total income of nearly $6,600. Three years after people had entered the study, SSP had reduced the proportion with income below Statistics Canada's low income cut-offs by nearly 10 percentage points.

The random assignment design ensured that the program and control groups were in identical positions on these outcomes before the study began. It is thus important to remember that these patterns of impacts observed during the study period produce for the program group cumulative "lifetime" increases in their earnings and experience of full-time employment and income (of at least the magnitude shown in Table 9.1), and "lifetime" decreases in their welfare receipt.

By accelerating achievement of these key outcomes within the program group, SSP acted as a bridge or shortcut. In a single year, it took long-term IA recipients to higher levels of employment, earnings, and total income, and lower levels of welfare receipt than they could normally have expected to reach within two, three, or even four years in the absence of such an offer.

Does the supplement reduce the rate at which people leave employment and return to income assistance and thus promote more lasting connections to the labour market?

Welfare recipients have highly unstable employment patterns. When the supplement was first offered, it markedly increased the rate of movement into work. This effect did not persist through later years of the study as the net gain in full-time employment among control group members exceeded that of program group members.

However, much of SSP's employment impact was on stable employment. Of the 15-percentage-point increase generated by SSP in full-time employment among those employed full time in months 1 to 18, two thirds (or 10 percentage points) was in stable employment of 12 months or more per employment spell.

Furthermore, adding employment services to the SSP supplement offer — as was tested with SSP Plus, described in Chapter 8 — led to prolonged employment impacts, over and above those due to the supplement offer alone. The effects of SSP Plus remained strong through most of the follow-up period.

What happens to employment, income, and welfare receipt when the three-year supplement period ends?

Placing a time limit on supplement receipt was a major design feature of SSP. This feature meant that supplement recipients could reach a "cliff" when the supplement ceased to be available. A key question was, thus, what would happen to income, employment, welfare receipt, and other outcomes among families who hit the cliff?

Chapter 6 shows that among those receiving SSP supplement payments regularly toward the end of their three-year supplement period,[8] income from the supplement dropped by $600 on average after families were no longer eligible for the supplement. However, most families who passed through the cliff did not experience significant increases on any of the hardship measures used. Although there were drops in employment, more than 70 per cent were still employed full time eight months after the cliff. Additionally, IA receipt rose by less than 10 percentage points after the end of the supplement. Average income dropped by less than $400 per month, partly because these families' earnings increased after the supplement ran out. Thus this group, who faced the biggest income losses as the supplement expired, actually had higher income and employment rates at the end of the follow-up period than either the control group or others offered the supplement. Experiencing the cliff had not made them worse off relative to others.

Thus, policy concerns that the cliff would impose significant hardship on families have not been supported. However, this is because those who actually experienced the loss in income at the cliff were the most welfare faring best in the labour market: those who had, on average, been able to sustain full-time employment for more than 30 of the 36 months. On average, outcomes were worse for those who took up the supplement but were unable to sustain full-time employment. This group did not reach the stage of experiencing the cliff. Similarly worse off were those in the program group who failed to find full-time employment at all within the first 12 months (who became supplement non-takers) and could not experience the cliff.

It is thus plausible that the short-term effects of the cliff were muted because it hit those within the sample best equipped to cope with such an income shortfall. These people who experienced the cliff constituted 43 per cent of all supplement takers and 15 per cent of the program group. When rates of full-time employment, welfare receipt, and income levels across the program group as a whole were considered, the stronger outcomes of those who experienced the cliff were offset by the weaker outcomes of those who did not. As has been noted previously, by the close of the study follow-up period, program impacts had diminished: the levels the control group achieved on these outcomes approached those for the program group as a whole.

Does the supplement induce new IA applicants to remain on social assistance longer than they would have in the absence of the SSP program?

To be eligible for the SSP supplement, IA recipients were required to have spent at least 12 months in almost continuous receipt of assistance. The SSP applicant study (Berlin et al., 1998) was designed to answer the research question about the unintended consequences of making a potential financial benefit conditional on duration of welfare receipt: Would new IA applicants remain on income assistance longer in order to qualify for SSP?

Despite widespread concern among both policy-makers and researchers about entry effects, results from SSP's experimental test of entry effects indicated that very few welfare recipients prolonged their stay on income assistance in order to become eligible for the earnings supplement. Of the one recipients offered the supplement if they remained on

[8] This survey sample comprised supplement takers who received a supplement in each of at least five of the last six months of their supplement eligibility (from Month 31 to Month 36 of their entitlements).

welfare for a year, 57.2 per cent actually stayed on income assistance for 12 of the first 13 months after random assignment, compared with 54.1 per cent of the control group, for a barely significant statistical difference of 3.1 percentage points.

Is the program cost-effective from the points of view of IA recipients, government, and society, given the changes the program causes in employment, welfare, and poverty?

The program model for SSP involved generous earnings supplements and from the outset might have appeared to represent an expensive policy option. Large-scale implementation of such a policy would have been a high-risk strategy. Operating the program as a demonstration has found employment and income gains to families, over four years and potentially longer, that have been achieved at a relatively low cost to government.

Chapter 7 shows that SSP produced financial gains for families in the program (of $5,256 per family) and for society as a whole ($2,565), but the government spent money ($2,691) to achieve the program's effects on employment, income, and welfare receipt. Compared with other successful welfare-to-work programs, this represented an efficient spending of government resources. For every $1 of government expenditure on transfers, participants earned nearly $1 in additional earnings for a total of about $2 in extra income. SSP thus contrasts with other income support programs, where transfer dollars typically produce less than dollar-for-dollar additional income because receipt of income support typically discourages earning.

Other Policy Concerns

While the SSP study has generated answers to the eight research questions posed at the outset, the rich data it has yielded provide answers to many more. Three examples below relate to concerns voiced at the time SSP was launched about the side effects of such a welfare-to-work program. Evidence collected from this study has been able to allay some of those concerns.

Child Outcomes

Could encouraging single mothers to move into full-time employment earlier than would have occurred in the absence of earnings supplements harm their children? SSP encouraged parents to spend more time working outside the home, perhaps increasing their reliance on daycare. At the same time, the family could gain from higher incomes. What would be the net effect of such changes on children?

Chapter 5 suggests that there is little reason for concern over the effects of SSP on children on most measures of functioning and behaviour. In fact, elementary-school-age children of parents in the program group appeared to perform better in school than similar children in the control group. Their math test results were also higher. Both while parents were still eligible for the supplement and after their eligibility had ended, parents in the program group gave their elementary-school-age children higher marks on school performance than did parents in the control group.

The fact that SSP achieved positive effects after parents had stopped receiving the earnings supplement (and after the program had stopped having effects on family income) suggests that a temporary income boost might have long-term positive effects on children. On the other hand, there were few differences in outcomes for children too young to be in school or for adolescent children at the end of the follow-up period.

Marriage

There is a longstanding debate about the role of marriage versus employment as a route out of IA receipt for single mothers (Hoynes, 1995; Moffitt et al., 1998; Ellwood, 1986; Bane & Ellwood, 1983). Although SSP was designed to assist the transition from welfare to work directly, it might nonetheless have indirectly increased or decreased its eventual impacts by influencing parents' marital decisions.

For reasons explained in Chapter 5, the additional employment generated by SSP could have facilitated marriage or inhibited parents from remarrying. Parents may have been more encouraged by SSP to marry than they would have been by welfare because eligibility for the supplement was unaffected by marriage or the level of the partner's income. The additional income coming from SSP might have made supplement takers more attractive to potential partners. Alternatively, the extra income might have made the financial benefits of marriage less attractive. None of these possibilities appears to have dominated. Program group and control group parents were equally likely to have married throughout the follow-up period.

Wage Rates

There are at least three ways SSP could have influenced wages. If SSP had additionally attracted those from the IA caseload with lower levels of skills to take jobs, it might have increased employment in very low-wage jobs. The supplement itself could have encouraged some parents to take jobs with lower wages than the jobs they would otherwise have taken since they could have made up the difference with the extra supplement income. The program also had the potential to increase wage rates if it increased employment stability.

Chapter 3 finds that most of the employment generated by SSP was in work paying within $2 of minimum wage. However, there was no evidence that people took jobs with lower wages than the jobs they would have taken otherwise. For example, there was no reduction in the proportion working at $2 or more above the minimum wage, and the proportions experiencing wage growth were higher in the program group. Thus, SSP did not adversely affect the wages of program group members.

Confidence in Lessons Learned

The answers to SSP's research questions above can be presented as definitive lessons learned, thanks to the way the SSP study was implemented. A careful program design was effectively implemented as a demonstration within a random-assignment experimental design with long-term follow-up of program outcomes. This approach has afforded policy-makers a very high level of confidence in answers about what the program has achieved. New policy can be developed with many more certainties than there were before the SSP study began. If a different approach had been taken, the answers would have been more equivocal and conclusions about the effectiveness of earnings supplements would have been harder to draw.

Thus the SSP study has delivered valid estimates of the effects of earnings supplements that policy-makers can work with in the development of new policy. However, they must do so in full awareness of what has not been learned. SSP has shed light on many of the crucial questions about supplementation policy, but it has not shed as much light on others. The following section suggests areas where policy-makers must exert caution in applying SSP's results.

WHAT HAS NOT BEEN LEARNED FROM THE SSP STUDY?

Chapter 1 sets out the specificity of the design of SSP. This specificity is crucial when considering the lessons learned from the study and how they can be applied. A particular group of people, in a small number of sites at a particular point in time, were offered a program modeled in a particular way. The specificity of the findings in this report to this design has implications for any generalization that can be made for another population, in another place at another time, or for a different program.

There are several factors that need to be taken into account if the lessons of SSP are to be applied successfully to future policy, among them who is to be targeted, where and when they will be enrolled, and what type of program is being considered.

The Target Population

The people participating in the SSP study were selected as "long-term" welfare recipients. They had to have been in receipt of income assistance for at least 11 of the 12 months prior to selection. Beyond this criterion, selection was random with respect to duration of assistance. As a result, the sample comprised a cross-section of single parents who had been in receipt of welfare for about a year or more.

Testing an initiative that consists of a one-time offer among a cross-section of welfare recipients permits generalization about the introduction of a new program like SSP. Such a study can say less about how a program operating at scale would influence welfare receipt once operations had moved beyond introduction and had reached a steady state.

Thus the SSP results presented in this report are helpful in learning what will happen when an initiative is first introduced, in the period before the initiative has been active long enough to change the composition of the welfare population. To understand how a program might operate at maturity, the target sample would need to comprise only those who have recently become eligible for the program. In the case of SSP, that would be a sample of people who had just completed their 11th month out of 12 in receipt of welfare. Such a sample was the subject of the SSP applicant study, and a final report on this study is planned for 2003. To date, encouraging lessons are emerging about how SSP affects such a population that is typically better equipped for the labour market (Michalopoulos & Hoy, 2001).[9]

[9] While it is too early to be conclusive, taking into account the dynamic effects of SSP on the composition of the welfare population offers evidence that SSP would be more cost-effective when operating as a steady-state program. Findings from the SSP applicant sample suggest that applicants respond strongly to the supplement offer but required lower supplement payments, generating neutral net transfer costs for the program (Michalopoulos & Hoy, 2001).

Thus, to generalize about the introduction of a program like SSP, the most relevant lessons may come from the findings in the present report. Once the SSP initiative has matured into a steady-state feature of regular programming, its impacts would be expected to resemble more closely those seen in the SSP applicant study.

Another important facet of the population for the SSP study was that all those sampled were single parents who had children under age 13. Caution would need to be exercised if the study findings were used to estimate the effects of supplements on couples with children, or on families or individuals without children.

The Location of the Program

Every province has a different welfare policy and a different population structure. British Columbia and New Brunswick were selected for the SSP experiment because they represented two very different populations and different economic conditions. British Columbia represented a province with a fairly large labour market, a higher employment rate, relatively high wage rates (and a high minimum wage), a large immigrant population, and a relatively generous welfare system. New Brunswick had only a fifth of British Columbia's population, few immigrants, higher unemployment, low wage rates, and a less generous welfare system.

This report has found relatively small differences in SSP's impacts between these differing populations, economies, and policy regimes. It would seem that the impact findings are fairly robust to the characteristics of the policy environment. More sophisticated predictions for SSP's effects on welfare populations with markedly different characteristics from those of British Columbia and New Brunswick could be inferred from the observed impacts on particular subgroups (see Chapter 4). For example, a population with a higher proportion of IA recipients reporting an illness or disability would be expected to experience smaller employment impacts early on.

The Timing of Program Implementation

The phased recruitment for SSP, over more than two years, reduced the influence of seasonal or economic cyclical factors on SSP's effects. The simultaneous random assignment of the control group also ensured that the study was protected against any seasonal factors biasing results. Nonetheless, the SSP study could not avoid producing results that are historical. SSP recruited between 1992 and 1995, with the last supplement payment being made late in 1999. As is emphasized in Chapter 1, the labour market and the welfare policy environment that represented the alternative to the SSP offer changed during the course of the study and will be different again when any future SSP-type program is introduced.

Again, the lack of a distinctive difference in magnitude, pattern, or duration of impacts between British Columbia and New Brunswick is a signal that the reported impacts are fairly robust to differing economic and policy conditions.

The Features of the Program

Perhaps the most important qualification when attempting to generalize from SSP findings is the specificity of the parameters of the program. The impacts from SSP were generated by a special kind of earnings supplement. Entitlement for this supplement was structured in a way that was intended to change the behaviour of those to whom it was

offered. The program features reflected the intention to support a particular one-way transition, from IA receipt to full-time employment.

It is worth remembering that each departure from the design parameters outlined in Chapter 1 for any future supplement policy would make it more difficult to predict how different a new policy's impacts would be from those of SSP. For example, policy-makers might be interested in a supplement program that was different from SSP in one or more respects. A new policy might make a number of changes to the SSP design, including

- using a more or less generous supplement formula for calculating the supplement (setting the maximum supplement amount at a different level or withdrawing the supplement at a different rate with respect to earnings);
- varying the three-year time limit on supplement eligibility;
- altering the weekly hours of work requirement; or
- relating supplement amounts to wages or to income levels more generally, rather than just to earnings.

Policy-makers might consider these or other changes if they feel the objective of SSP — to provide an incentive for full-time employment — could be better served with a modified design. Alternatively, they might consider changes in order to pursue a different policy objective, such as family support or poverty relief. For example, existing, largely tax-based programs like the US Earned Income Tax Credit and the UK Working Families Tax Credit offer differently structured supplements that attempt to relieve poverty among working families.

The SSP experiment was unlike other programs in that it offered a carefully limited and once-in-a-lifetime financial boost that simultaneously left no doubt that work would pay instantly rewarded a return to work. SSP's findings cannot be directly translated to other supplement programs with different design features or to other kinds of financial transfer or welfare-to-work programs. Drawing inferences from the experience observed in a specific place at a specific time with the main focus on a single treatment design requires considerable care and cautious inferences.[10] Techniques such as subgroup analysis, micro-simulation, comparative policy analysis, and meta-analysis will be needed to help policy-makers understand how SSP can inform new program designs.

EXTENDING THE LESSONS FROM SSP

It is worth remembering the twin policy challenges in welfare reform that shaped the design of SSP (Lui-Gurr et al., 1994, p. 2). The first policy challenge was to develop a program that could help people change their lives more effectively than had previous programs. The second challenge was to avoid the perverse incentives of traditional IA programs that forced a choice between dependence on income assistance and poverty while working. Both challenges are as important in the policy environment into which the final report is being launched as they were 10 years ago. The earnings supplement program tested

[10] Although lessons were learned from the variant design — SSP Plus — in Chapter 8, policy conclusions from SSP Plus are considerably more limited by this sub-study's smaller sample size.

by SSP was developed specifically to respond to these twin challenges. The evidence cited in this report suggests that SSP has met both of these policy challenges.

SSP has helped single-parent, long-term welfare recipients change their lives more effectively, while avoiding the perverse incentives of traditional IA programs. Policy-makers now know what a program like SSP can do and how far those lessons can safely be applied. After examining the results, policy-makers may see a key role for a program like SSP among future programs. However, they may also look beyond the findings, to the challenges of trying to extend the scope of beneficial impacts from SSP. In effect, policy-makers may say, "If what SSP has achieved is taken as a starting point, what additional challenges would a new program try to overcome?" This section considers a few of those challenges.

What can policy do to encourage participation and job retention in the program?

Although 36 per cent of the study sample took up the SSP supplement, this left 64 per cent of those offered SSP largely unaffected by the program, and job loss among supplement takers played an important role in reducing later program impacts. Policy-makers may wish to reduce welfare caseloads further by attracting more welfare recipients into the program and helping them to stay there.

More people might enter the program if the one-year time limit to initiate supplement receipt were extended or if the full-time work requirement were relaxed. Additional services focused specifically on job retention might have helped preserve SSP's impacts on full-time employment for a longer time.

An earlier report (Mijanovich & Long, 1995, p. 96) interpreted the steady aggregate participation rate over the first year as evidence that the 12-month time limit on taking up SSP limited participation in, and the impact of, the program. A longer time limit might increase participation but perhaps at the cost of paying supplement dollars to people who would have worked anyway ("windfalls"). However, if many more participants were induced into work, program costs could still have been reduced.[11]

The 30-hour minimum ensured that participation in work was full-time. However, it meant that in situations where participants regularly could not secure sufficient hours from their employer, or experienced the breakdown of child care arrangements, or had a prolonged break between jobs, or a combination of such factors, they could face income shortfalls because of the loss of both supplement and wages. For others who would prefer to work only during school hours or who otherwise favoured part-time hours, part-time employment participation was not supported by SSP. The minimum hours could be reduced to increase participation, but potentially at the risk of both higher supplement payments[12] and reduced work effort per participant.

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[11] It is worth recalling also that program dollars spent on windfalls in terms of employment participation can still help to reduce the extent of poverty experienced by the families who receive the supplement and may contribute to other beneficial outcomes of the program.

[12] Lower earnings from part-time work would attract larger supplements if the current supplement formula (described in Chapter 1) were applied.

SSP Plus services were focused mostly on helping welfare recipients find employment (preparation of an employment plan, resumé service, job clubs, job coaching, job leads, self-esteem and other workshops). Nonetheless, they appear to have helped SSP participants not only gain work at the program outset, but also regain work after job loss. The extension of employment impacts due to SSP Plus services is intriguing, because the services were not primarily intended to assist retention. However, there was some overlap between the program services provided by SSP Plus — enhanced financial support, job clubs, job-search services, and extended case management — and those designed specifically to promote job retention among welfare recipients in the experimental test of the Post-Employment Services Demonstration (PESD) in four US states. These PESD "programs had little effect on increasing earnings, reducing welfare, or promoting the move toward self-sufficiency" (Rangarajan & Novak, 1999, p. 3).

It thus seems that SSP Plus services achieved some of the additional effects that policy-makers concerned about job-retention might hope for. The findings signal that if a more effective combination of job retention services can be identified, there could be a marked impact on longer-term employment outcomes.

Importantly, SSP's goal was to "help interested [italics added] single parents choose work over income assistance receipt" (Lui-Gurr et al., 1994, p. 1), and thus different program approaches may be necessary for those who do not include securing paid employment or even gaining higher incomes among their most pressing needs.

SSP supports a one-way transition from welfare to full-time employment. Could earnings supplements also help people in low-paid full-time work avoid entering welfare?

If earnings supplements make work more attractive than welfare, they could have a role in discouraging working families from leaving low-paying work to take up welfare. Chapter 4 demonstrates that the SSP supplement offer did significantly reduce the chances of those in full-time work at random assignment leaving full-time work by Quarter 5. However, SSP was not available to support the employment of low-income working families not in receipt of welfare. A program with broader aims — such as unemployment or welfare avoidance — could consider dropping welfare duration as an eligibility criterion for SSP, subject to further research on the most appropriate target groups and on how excessive "windfall" could be avoided.

SSP worked well for single-parent families. How would an earnings supplement work for other welfare populations?

SSP targeted single parents who were long-term recipients of welfare. In evaluations where impacts on demographic subgroups have been considered, single parents appear to be the group most likely to respond positively to increased work incentives. For example, the Minnesota Family Investment Program offered a similar package of incentives to both one-parent and two-parent families but found positive employment impacts for only the former group (Knox, Miller, & Gennetian, 2000). However, the impact of incentives has not been analyzed for many people in disadvantaged populations — immigrants, people with disabilities, aboriginal people — who are not single parents. The option thus remains open for an SSP variant to be tested on a population other than single parents on welfare. It will be valuable for policy-makers to learn how other groups respond to financial incentives.

CONCLUSIONS

As a test of a policy option making work pay through a time-limited offer of earnings supplements tied to a full-time hours requirement, SSP has delivered definitive answers to the research questions it was set. A viable program design was effectively implemented as a demonstration within a random-assignment experimental design with long-term follow-up of program outcomes. This approach has afforded policy-makers a very high level of confidence in the study's answers about what the program has achieved.

The SSP study has delivered a wealth of policy lessons. It is clear that financial incentives do matter to the employment decisions of welfare recipients. The full-time work incentive within SSP accelerated by two to three years welfare recipients' transition to employment. It produced some of the largest employment impacts seen in random-assignment program evaluation.

SSP has helped a significant proportion of families on welfare to rely more on employment and less on welfare, without detectably harming family well-being, in a way that also reduced poverty, for a period of three or four years, at relatively low cost to government. Importantly, SSP acted as a bridge or shortcut to the higher levels of employment, earnings, and total income and the lower levels of welfare receipt that families could not normally have expected to reach within two or three years in the absence of such an offer. This period could add up to the equivalent of a sixth of a child's dependent years.

The challenge for future policy development will be how to make the impressive impacts from SSP last even longer. The high rates of job loss among those receiving the supplement appeared to be tempered somewhat for those in the SSP Plus study, who continued to have access to employment services. These findings point toward future program models that include services focused on job retention among supplement recipients. The study's findings can be used, with care, to inform other proposals about how to reach deeper into the welfare caseload or reach out to other populations. Such research questions about the policy interventions that SSP did not include are inevitable, in part as a consequence of the certainty with which the SSP study has answered the research questions it did set out to test.

Appendix A:
Analysis of Non-response Bias in the 54-Month Follow-Up Interview

The impacts shown in this report were estimated using the 54-month survey sample, which is a subset of the full baseline research sample. The baseline research sample for the SSP evaluation consists of 5,685 single parents. From this full sample, 4,852 single parents (or 85 per cent) responded to the 54-month survey. In other words, 833 people did not respond.

This appendix assesses the extent to which the survey sample is representative of the full research sample and, consequently, whether the impacts estimated using the survey sample are unbiased. If non-response to the survey is not random — because more-disadvantaged parents are less likely to respond to the survey, for example — then the survey sample will not be representative of the full SSP research sample and the impacts estimated using it may be biased.

RESPONSE RATES

Table A.1 shows response rates to the 54-month survey, or the percentage of parents in the full baseline research sample who responded to the survey. Overall, 85 per cent of parents in the baseline sample provided some responses to the 54-month interview. This percentage was somewhat higher in New Brunswick than in British Columbia, a difference that was also found for the 36-month survey.

The table also presents response rates by research group. It is particularly important in a random-assignment design that response rates be similar for the program and control groups. Otherwise, the two groups may not be similar in terms of background characteristics, leading to biased impact estimates. The table shows that, although response rates are somewhat higher for the program group than for the control group, these differences, shown in the last column, are small and not statistically significant.

EFFECTS OF NON-RESPONSE ON BASELINE CHARACTERISTICS

The relatively high response rate of 85 per cent suggests that the survey sample is likely to be representative of the full research sample, and the similar response rates by research group suggest that the program group – control group comparisons are valid estimates of the program's effects. Table A.2 examines these issues more directly by showing selected baseline characteristics for the program and control groups within each sample.

For the baseline research sample, there are some differences between the program and control groups. For example, the program group is less likely to have young children and more likely to have completed high school with no post-secondary education. Looking across the baseline characteristics as a whole, however, the number of significant differences is small enough to suggest that there are not systematic differences between the two groups.

For the survey sample, the program and control groups differ along the same characteristics, and the number of significant differences is also few enough to have arisen by chance. In addition, the program-control differences for the baseline sample are significantly different from those for the survey sample for only three characteristics — welfare history, looking for work at random assignment, and the presence of children 12 years of age or older (last column of Table A.2). Although statistically significant, these differences are small. Thus, the impacts presented in the report using the survey sample are unlikely to be biased because of different responses rates for the program and control groups.

IMPACT ESTIMATES FROM ADMINISTRATIVE RECORDS DATA

Another way to assess whether analyses using the 54-month survey sample are biased is to compare impacts estimated for both the survey and the full sample. This comparison is possible using administrative records data on receipt of income assistance (IA) and SSP. These results are presented in Table A.3.

The first panel presents impacts on IA receipt. Impacts estimated using the survey sample are somewhat larger that those estimated using the baseline research sample. In Quarter 10 for example, the baseline research sample shows that SSP reduced IA receipt by 8.3 percentage points, whereas the survey sample shows a reduction of 9.6 percentage points. However, these differences in impacts for the two samples are relatively small and they are no longer statistically significant after Quarter 13. A similar pattern also exists for impacts on average IA payments (third panel). Impacts on receipt of either income assistance or SSP are shown in the second panel and are very similar for the two samples. Thus, the survey sample provides accurate estimates of SSP's effects on this outcome. The impacts are also similar for average IA and SSP payments.

Overall, the results presented in this appendix indicate that the 54-month survey sample used for this report is representative of the full SSP research sample and that the impacts estimated using the survey are not severely biased. Although the survey sample somewhat overestimated SSP's effects on IA receipt, the overestimate was small and did not change the policy implications of the findings.

Table A.1: 54-Month Survey Response Rates

Province and Cohort	Program Group	Control Group	Difference
Both provinces	86.1	84.6	1.5
First cohort[a]	84.6	83.5	1.1
Second cohort[b]	87.0	85.3	1.7
British Columbia	84.7	83.2	1.5
First cohort	82.8	82.1	0.8
Second cohort	86.3	84.2	2.1
New Brunswick	87.7	86.2	1.5
First cohort	88.2	86.5	1.8
Second cohort	87.5	86.1	1.4
Sample size (total = 5,685)	2,858	2,827	

Source: Calculations from 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the response rates of the program and control groups. Rounding may cause slight discrepancies in the calculation of sums and differences.

[a]The first cohort consists of sample members randomly assigned between November 1992 and October 1993.

[b]The second cohort consists of sample members randomly assigned between January 1994 and March 1995.

Table A.2: Comparison of Characteristics of Baseline and 54-Month Survey Samples

Characteristic	54-Month Survey Sample: Program Group (1)	54-Month Survey Sample: Control Group (2)	54-Month Survey Sample: Difference (Impact) (3)	Baseline Research Sample: Program Group (4)	Baseline Research Sample: Control Group (5)	Baseline Research Sample: Difference (Impact) (6)	(3)-(6)
Gender (%)							
Female	95.8	96.2	-0.4	94.8	95.3	-0.5	0.1
Age (%)							
19–24	21.7	22.3	-0.6	21.0	21.7	-0.7	0.1
25–29	21.3	21.2	0.0	21.4	20.9	0.5	-0.5
30–39	39.8	38.7	1.1	39.7	38.9	0.8	0.4
40–49	14.8	15.5	-0.6	15.3	15.9	-0.5	-0.1
50 or older	2.5	2.4	0.1	2.7	2.7	0.0	0.1
Completed education (%)							
Less than high school education	52.7	54.0	-1.3	54.3	55.1	-0.9	-0.5
Completed high school, no post-secondary education	36.8	34.3	2.5 *	35.4	32.9	2.5 **	0.0
Some post-secondary education	10.5	11.7	-1.2	10.4	12.0	-1.6 *	0.4
Recent welfare history							
Number of months on IA in 3 years prior to baseline (%)							
10–23	22.4	25.8	-3.4 ***	22.8	24.9	-2.1 *	-1.3 **
24–35	34.2	32.8	1.4	33.8	34.0	-0.2	1.6 **
All 36	43.4	41.4	2.0	43.5	41.1	2.3 *	-0.3
Average IA payment in month prior to baseline ($)	862	853	8	868	860	8	1
Work history and labour force status							
Ever had a paid job (%)	95.3	94.3	1.0	95.0	94.3	0.7	0.3
Labour force status at random assignment (%)							
Employed 30 hours/week or more[a]	5.9	7.0	-1.0	5.4	6.7	-1.3 **	0.3
Employed less than 30 hours/week[a]	13.3	12.9	0.4	13.0	12.6	0.3	0.0
Looking for work, not employed	21.8	23.3	-1.5	22.7	23.6	-0.9	-0.6 *
Neither employed nor looking for work	59.0	56.8	2.2	59.0	57.1	1.9	0.3

(continued)

Table A.2: Comparison of Characteristics of Baseline and 54-Month Survey Samples (Cont'd)

Characteristic	54-Month Survey Sample			Baseline Research Sample			
	Program Group (1)	Control Group (2)	Difference (Impact) (3)	Program Group (4)	Control Group (5)	Difference (Impact) (6)	(3)-(6)
Children							
Number of children under age 19 (%)							
1	53.5	54.3	-0.8	53.5	54.8	-1.3	0.5
2	32.9	31.7	1.2	32.9	31.2	1.7	-0.5
3 or more	13.6	14.0	-0.4	13.6	14.0	-0.4	0.0
Age of youngest child in years (%)							
0–2	29.6	32.0	-2.4 *	29.2	31.4	-2.2 *	-0.3
3–5	24.4	24.0	0.5	24.0	23.4	0.6	-0.1
6–11	26.8	25.5	1.3	26.6	26.0	0.5	0.8 **
12 or older	19.2	18.6	0.6	20.2	19.2	1.1	-0.4
Sample size	2,460	2,392		2,858	2,827		

Sources: Calculations based on baseline and 54-month survey data, and income assistance (IA) administrative records.

Notes: Sample sizes vary for individual measures because of missing values.

Two-tailed t-tests were applied to differences between the program and control groups, and to the differences between the 36-month sample and the baseline research sample.

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

[a]These data represent a slightly different definition of "employed 30 hours/week or more" and "employed less than 30 hours/week" used in the 36-month report. This definition is consistent with Table 1.1.

Table A.3: SSP Impacts on IA and Supplemen t Receipt and Payments, by Research Sample

	54-Month Survey Sample			Baseline Research Sample			
Outcome (Monthly Average)	Program Group (1)	Control Group (2)	Difference (Impact) (3)	Program Group (4)	Control Group (5)	Difference (Impact) (6)	(3)-(6)
Receiving IA (%)							
Quarter 1	97.4	97.9	-0.4	97.4	97.8	-0.4	0.0
Quarter 2	88.5	93.4	-5.0 ***	88.7	93.3	-4.7 ***	-0.3
Quarter 3	80.7	89.0	-8.4 ***	81.0	88.8	-7.8 ***	-0.6
Quarter 4	74.7	85.5	-10.9 ***	75.3	85.0	-9.7 ***	-1.2 **
Quarter 5	69.5	82.6	-13.1 ***	70.1	82.2	-12.0 ***	-1.1 **
Quarter 6	65.6	80.0	-14.4 ***	66.4	79.1	-12.8 ***	-1.6 ***
Quarter 7	64.5	77.3	-12.7 ***	65.0	76.3	-11.2 ***	-1.5 **
Quarter 8	63.6	74.8	-11.3 ***	63.8	73.9	-10.2 ***	-1.1 *
Quarter 9	62.3	72.6	-10.3 ***	62.5	71.9	-9.3 ***	-1.0
Quarter 10	61.0	70.7	-9.6 ***	61.4	69.7	-8.3 ***	-1.4 **
Quarter 11	60.5	69.1	-8.5 ***	60.5	67.7	-7.1 ***	-1.4 **
Quarter 12	59.9	68.0	-8.1 ***	59.6	66.7	-7.1 ***	-1.0 *
Quarter 13	58.8	66.1	-7.3 ***	58.3	64.5	-6.2 ***	-1.1 **
Quarter 14	57.9	64.0	-6.2 ***	57.0	62.3	-5.3 ***	-0.9
Quarter 15	56.6	61.8	-5.3 ***	55.6	60.0	-4.4 ***	-0.9
Quarter 16	55.1	59.9	-4.9 ***	53.7	57.8	-4.1 ***	-0.8
Quarter 17	54.3	58.4	-4.1 ***	52.8	56.0	-3.2 **	-0.9
Quarter 18	53.5	57.1	-3.6 ***	51.9	54.6	-2.7 **	-0.9
Quarter 19	52.6	55.7	-3.1 **	50.7	53.0	-2.3 *	-0.7
Quarter 20	50.8	53.7	-2.9 **	49.0	51.1	-2.1	-0.8
Receiving either IA or SSP (%)							
Quarter 1	98.0	97.9	0.1	97.9	97.7	0.1	0.0
Quarter 2	94.9	93.4	1.5 **	94.8	93.3	1.5 ***	0.0
Quarter 3	92.5	89.0	3.5 ***	92.2	88.7	3.5 ***	0.0
Quarter 4	90.4	85.5	4.8 ***	90.0	85.0	5.0 ***	-0.2
Quarter 5	89.1	82.6	6.5 ***	88.5	82.1	6.4 ***	0.1
Quarter 6	87.2	80.0	7.3 ***	86.6	79.1	7.5 ***	-0.3
Quarter 7	85.2	77.3	7.9 ***	84.3	76.3	8.0 ***	-0.1
Quarter 8	83.7	74.8	8.9 ***	82.5	73.9	8.6 ***	0.3
Quarter 9	81.6	72.6	9.0 ***	80.5	71.8	8.7 ***	0.3

(continued)

Table A.3: SSP Impacts on IA and Supplement R eceipt and Payments, by Research Sample (Cont'd)

	54-Month Survey Sample			Baseline Research Sample			
Outcome (Monthly Average)	Program Group (1)	Control Group (2)	Difference (Impact) (3)	Program Group (4)	Control Group (5)	Difference (Impact) (6)	(3)-(6)
Quarter 10	80.2	70.7	9.6 ***	79.3	69.6	9.7 ***	-0.1
Quarter 11	80.0	69.1	11.0 ***	78.3	67.6	10.7 ***	0.3
Quarter 12	79.0	68.0	11.0 ***	77.1	66.6	10.5 ***	0.6
Quarter 13	75.6	66.1	9.5 ***	73.8	64.5	9.3 ***	0.2
Quarter 14	69.9	64.0	5.8 ***	68.0	62.3	5.7 ***	0.1
Quarter 15	65.2	61.8	3.3 **	63.4	60.0	3.4 ***	-0.1
Quarter 16	60.5	59.9	0.6	58.6	57.8	0.8	-0.3
Quarter 17	55.8	58.4	-2.6 *	54.2	56.0	-1.8	-0.8
Quarter 18	53.5	57.1	-3.6 ***	51.9	54.5	-2.6 **	-1.0
Quarter 19	52.6	55.7	-3.1 **	50.7	53.0	-2.3 *	-0.8
Quarter 20	50.8	53.7	-2.9 **	49.0	51.1	-2.1	-0.8
Average IA payments ($/month)							
Quarter 1	853	841	13	859	847	12	0
Quarter 2	788	809	-21 **	793	812	-20 **	-1
Quarter 3	721	777	-55 ***	727	777	-50 ***	-5
Quarter 4	674	751	-76 ***	682	749	-67 ***	-10
Quarter 5	626	727	-101 ***	633	724	-90 ***	-11 *
Quarter 6	591	705	-114 ***	599	700	-100 ***	-13 *
Quarter 7	575	678	-104 ***	581	673	-92 ***	-12
Quarter 8	557	650	-93 ***	561	644	-83 ***	-10
Quarter 9	534	621	-87 ***	538	618	-80 ***	-7
Quarter 10	518	596	-78 ***	522	590	-69 ***	-9 *
Quarter 11	510	579	-69 ***	511	568	-57 ***	-13 **
Quarter 12	500	567	-67 ***	499	555	-55 ***	-11 *
Quarter 13	488	546	-59 ***	485	532	-46 ***	-12 **
Quarter 14	466	516	-51 ***	460	502	-42 ***	-9
Quarter 15	447	491	-45 ***	440	475	-35 ***	-10 *
Quarter 16	433	471	-38 ***	422	453	-31 ***	-7
Quarter 17	423	457	-34 ***	412	437	-25 **	-9
Quarter 18	418	446	-28 **	405	426	-20 *	-7
Quarter 19	411	431	-21 *	396	411	-15	-6
Quarter 20	393	414	-21 *	379	394	-15	-6

(continued)

Table A.3: SSP Impacts on IA and Supplement R eceipt and Payments, by Research Sample (Cont'd)

Outcome (Monthly Average)	54-Month Survey Sample: Program Group (1)	54-Month Survey Sample: Control Group (2)	54-Month Survey Sample: Difference (Impact) (3)	Baseline Research Sample: Program Group (4)	Baseline Research Sample: Control Group (5)	Baseline Research Sample: Difference (Impact) (6)	(3)-(6)
Average SSP and IA payments ($/month)							
Quarter 1	867	841	26 ***	872	846	25 ***	1
Quarter 2	869	809	60 ***	871	812	59 ***	1
Quarter 3	846	777	69 ***	844	776	67 ***	2
Quarter 4	831	751	81 ***	830	749	81 ***	-1
Quarter 5	826	727	100 ***	824	723	100 ***	-1
Quarter 6	795	705	90 ***	791	699	91 ***	-2
Quarter 7	761	678	83 ***	755	673	82 ***	0
Quarter 8	732	650	81 ***	724	644	80 ***	1
Quarter 9	703	621	82 ***	696	618	79 ***	4
Quarter 10	685	596	88 ***	677	590	87 ***	1
Quarter 11	675	579	96 ***	663	567	95 ***	1
Quarter 12	657	567	90 ***	644	554	90 ***	0
Quarter 13	630	546	84 ***	617	532	85 ***	-1
Quarter 14	565	516	48 ***	551	501	50 ***	-1
Quarter 15	517	491	25 **	504	474	29 ***	-4
Quarter 16	476	471	5	462	453	9	-3
Quarter 17	435	457	-22 *	423	436	-13	-9
Quarter 18	418	446	-28 **	406	426	-20 *	-8
Quarter 19	411	431	-21 *	396	411	-15	-6
Quarter 20	393	414	-21 *	379	394	-15	-6
Sample size	2,460	2,392		2,858	2,827		

Sources: Calculations from income assistance (IA) administrative records and payment records from SSP's Program Management Information System.

Notes: The estimates for each quarter are calculated by averaging the monthly estimates for the three months within the quarter.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Appendix B:
Probability Model

The characteristics of program group members influenced their odds of taking up the supplement, as is shown in Table B.1.[1] For example, the first row of Table B.1 shows that a program group member who had a high school diploma (or equivalent) had 40 per cent higher odds of becoming a taker than an otherwise identical person who had less education. Educated workers were more likely to qualify for the supplement because their education might make them more productive and more likely to be hired for full-time jobs than otherwise identical persons with less education. Similarly, a person who worked full time at baseline had nearly 4.6 times the odds of becoming a taker as an otherwise identical person who was not working at baseline. In contrast, persons with more than one child had similar odds of leaving income assistance to take up the supplement as otherwise identical persons with fewer children. That was surprising, because income assistance is more generous to households with additional children but the SSP supplement was not.

Table B.1: Probability of Taking Up the Supplement, by Characteristic at Random Assignment

Characteristics of Program Group Members	Odds Ratio [a]	Estimate	Standard Error
Had a high school diploma or equivalent	1.46 ***	0.38	0.09
Had ever worked for pay	3.43 ***	1.23	0.36
Had an additional year of work experience	1.07 ***	0.07	0.01
Was working full time at random assignment	4.64 ***	1.54	0.20
Was working part time at random assignment	1.63 ***	0.49	0.14
Could not work in the four weeks prior to random assignment because of her			
Own illness/disability	0.62 ***	-0.48	0.17
Lack of good child care	0.75 *	-0.28	0.15
Family responsibilities	0.74 **	-0.30	0.12
School attendance	1.38 **	0.32	0.16
Had a physical condition that limited activity	0.76 **	-0.28	0.12
Had an emotional condition that limited activity	0.87	-0.14	0.19
Was between 30 and 39 years old	0.62 ***	-0.49	0.13
Was 40 years old or more	0.32 ***	-1.15	0.21
Had two children in the household	0.95	-0.05	0.10
Had three or more children in the household	0.88	-0.12	0.15
Youngest child was aged 6 to 11	1.08	0.07	0.12
Youngest child was aged 12 or more	1.17	0.16	0.17

(continued)

[1] Technically, Table B.1 presents the results of a logit probability regression. The odds ratios in the second column were calculated using the estimates in the third column. The standard errors in the final column are a measure of the variability of the estimates. These last two columns are included for readers with a knowledge of statistics and are not strictly necessary for understanding the broad meaning of the table.

Table B.1: Probability of Taking Up the Supplement, by Characteristic at Random Assignment (Cont'd)

Characteristics of Program Group Members	Odds Ratio [a]	Estimate	Standard Error
Was female	1.48	0.39	0.25
Lived in British Columbia	0.94	-0.06	0.10
Was of First Nations ancestry	0.92	-0.08	0.16
Had immigrated in last five years	1.07	0.07	0.37
Spoke neither French nor English	0.26 ***	-1.34	0.48
Lived in an urban area	0.83	-0.19	0.12

Sources: SSP's Program Management Information System and baseline survey data.

Notes: Statistical significance of the coefficients are indicated as: *= 10 per cent; ** = 5 per cent; ***= 1 per cent.

The dependent variable is equal to one if a program group member received at least one supplement payment, and zero otherwise.

The logistic probability regression used 2,460 program group members. A regression technique looks at the correlation between two variables (such as those indicating whether the respondent took up the supplement and whether she was unable to work in the four weeks prior to random assignment because of her own illness/disability) after separately removing any correlation between those variables and the other independent variables in the regression model. Therefore, the result presented in this table along "could not work in the four weeks prior to random assignment because of her own illness/disability" shows the effect of this variable on supplement take-up that is uncorrelated with other variables such as whether the respondent was "working full time random assignment."

[a] The odds that a program group member with the given characteristic would be likely to take up the supplement, relative to an otherwise identical program group member. For example, the odds that a person with a high school diploma or equivalent will take up the supplement are 1.46 times higher than the odds of an otherwise identical participant without such a qualification doing so.

Appendix C:
Quarterly Impacts and Impacts by Province for Main Outcomes

Table C.1: SSP Impacts on Employment and Earnings, by Quarter

Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)	Standard Error
Full-time employment rate [a] (%)				
Quarter 1	10.9	9.7	1.2	(0.8)
Quarter 2	15.7	10.7	5.0 ***	(0.9)
Quarter 3	19.9	12.2	7.8 ***	(1.0)
Quarter 4	25.3	13.7	11.7 ***	(1.1)
Quarter 5	29.8	14.9	14.8 ***	(1.1)
Quarter 6	29.1	15.7	13.5 ***	(1.1)
Quarter 7	28.1	16.6	11.5 ***	(1.1)
Quarter 8	27.1	16.6	10.5 ***	(1.1)
Quarter 9	26.9	16.7	10.2 ***	(1.1)
Quarter 10	27.3	18.2	9.1 ***	(1.2)
Quarter 11	28.1	19.2	8.9 ***	(1.2)
Quarter 12	28.3	19.2	9.1 ***	(1.2)
Quarter 13	28.6	20.9	7.7 ***	(1.2)
Quarter 14	28.4	22.3	6.2 ***	(1.2)
Quarter 15	28.5	22.8	5.7 ***	(1.2)
Quarter 16	28.4	23.4	5.0 ***	(1.2)
Quarter 17	28.3	25.0	3.3 ***	(1.2)
Quarter 18	28.0	26.5	1.5	(1.2)
Part-time employment rate [b] (%)				
Quarter 1	13.3	13.9	-0.6	(0.9)
Quarter 2	11.6	14.2	-2.6 ***	(0.9)
Quarter 3	11.5	14.0	-2.5 ***	(0.9)
Quarter 4	10.6	13.1	-2.5 ***	(0.9)
Quarter 5	11.3	13.3	-1.9 **	(0.9)
Quarter 6	12.0	14.8	-2.8 ***	(0.9)
Quarter 7	12.4	14.6	-2.2 **	(0.9)
Quarter 8	12.4	14.0	-1.6 *	(0.9)
Quarter 9	13.0	14.1	-1.1	(0.9)
Quarter 10	12.1	13.5	-1.3	(0.9)
Quarter 11	11.7	14.3	-2.6 ***	(0.9)
Quarter 12	12.1	15.3	-3.1 ***	(0.9)
Quarter 13	12.6	14.7	-2.1 **	(0.9)
Quarter 14	12.0	14.0	-2.0 **	(0.9)
Quarter 15	13.0	14.3	-1.3	(1.0)
Quarter 16	13.4	14.8	-1.4	(1.0)
Quarter 17	13.8	14.8	-1.0	(1.0)
Quarter 18	13.9	15.4	-1.5	(1.0)

(continued)

Table C.1: SSP Impacts on Employment and Earnings, by Quarter (Cont'd)

Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)		Standard Error
Overall employment rate (%)					
Quarter 1	24.2	23.6	0.5		(1.2)
Quarter 2	27.3	24.9	2.4	*	(1.2)
Quarter 3	31.4	26.2	5.2	***	(1.3)
Quarter 4	35.9	26.8	9.1	***	(1.3)
Quarter 5	41.1	28.2	12.9	***	(1.3)
Quarter 6	41.1	30.5	10.6	***	(1.3)
Quarter 7	40.4	31.2	9.3	***	(1.3)
Quarter 8	39.5	30.6	8.9	***	(1.3)
Quarter 9	39.9	30.9	9.0	***	(1.3)
Quarter 10	39.5	31.7	7.7	***	(1.3)
Quarter 11	39.8	33.5	6.3	***	(1.3)
Quarter 12	40.4	34.5	5.9	***	(1.3)
Quarter 13	41.2	35.6	5.6	***	(1.3)
Quarter 14	40.5	36.3	4.2	***	(1.4)
Quarter 15	41.4	37.1	4.3	***	(1.4)
Quarter 16	41.7	38.2	3.5	**	(1.4)
Quarter 17	42.1	39.8	2.3	*	(1.4)
Quarter 18	41.8	41.9	0.0		(1.4)
Average earnings ($/month)					
Quarter 1	147	148	-1		(11)
Quarter 2	208	174	34	**	(14)
Quarter 3	255	198	57	***	(15)
Quarter 4	313	211	101	***	(16)
Quarter 5	359	234	125	***	(17)
Quarter 6	362	249	114	***	(17)
Quarter 7	379	288	91	***	(20)
Quarter 8	372	286	86	***	(20)
Quarter 9	371	288	83	***	(20)
Quarter 10	389	312	77	***	(22)
Quarter 11	398	334	64	***	(23)
Quarter 12	397	348	49	**	(23)
Quarter 13	431	379	52	**	(22)
Quarter 14	474	428	46	*	(24)
Quarter 15	485	433	51	**	(24)
Quarter 16	494	444	50	**	(24)
Quarter 17	499	462	36		(24)
Quarter 18	496	488	8		(24)
Sample size (total = 4,852)	2,460	2,392			

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

Notes: The estimates for Quarter 1 to Quarter 18 are calculated by averaging the monthly estimates for the three months within a quarter.

Sample sizes vary for individual measures because of missing values.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a]"Full-time employment" is defined as working 30 hours or more per week in at least one week during the month.

[b]"Part-time employment" is defined as having some employment but no full-time employment during the month.

Table C.2: SSP Impacts on IA and Supplement Receipt and Payments, by Quarter

Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)	Standard Error
Receiving IA (%)				
Quarter 1	97.4	97.9	-0.4	(0.3)
Quarter 2	88.5	93.4	-5.0 ***	(0.7)
Quarter 3	80.7	89.0	-8.4 ***	(1.0)
Quarter 4	74.7	85.5	-10.9 ***	(1.1)
Quarter 5	69.5	82.6	-13.1 ***	(1.2)
Quarter 6	65.6	80.0	-14.4 ***	(1.2)
Quarter 7	64.5	77.3	-12.7 ***	(1.2)
Quarter 8	63.6	74.8	-11.3 ***	(1.3)
Quarter 9	62.3	72.6	-10.3 ***	(1.3)
Quarter 10	61.0	70.7	-9.6 ***	(1.3)
Quarter 11	60.5	69.1	-8.5 ***	(1.3)
Quarter 12	59.9	68.0	-8.1 ***	(1.3)
Quarter 13	58.8	66.1	-7.3 ***	(1.3)
Quarter 14	57.9	64.0	-6.2 ***	(1.3)
Quarter 15	56.6	61.8	-5.3 ***	(1.4)
Quarter 16	55.1	59.9	-4.9 ***	(1.4)
Quarter 17	54.3	58.4	-4.1 ***	(1.4)
Quarter 18	53.5	57.1	-3.6 ***	(1.4)
Quarter 19	52.6	55.7	-3.1 **	(1.4)
Quarter 20	50.8	53.7	-2.9 **	(1.4)
Average IA payments ($/month)				
Quarter 1	853	841	13	(9)
Quarter 2	788	809	-21 **	(10)
Quarter 3	721	777	-55 ***	(11)
Quarter 4	674	751	-76 ***	(12)
Quarter 5	626	727	-101 ***	(12)
Quarter 6	591	705	-114 ***	(13)
Quarter 7	575	678	-104 ***	(13)
Quarter 8	557	650	-93 ***	(13)
Quarter 9	534	621	-87 ***	(13)
Quarter 10	518	596	-78 ***	(13)
Quarter 11	510	579	-69 ***	(13)
Quarter 12	500	567	-67 ***	(13)
Quarter 13	488	546	-59 ***	(12)
Quarter 14	466	516	-51 ***	(12)
Quarter 15	447	491	-45 ***	(12)
Quarter 16	433	471	-38 ***	(12)
Quarter 17	423	457	-34 ***	(12)
Quarter 18	418	446	-28 **	(12)
Quarter 19	411	431	-21 *	(12)
Quarter 20	393	414	-21 *	(12)
Receiving either IA or SSP (%)				
Quarter 1	98.0	97.9	0.1	(0.3)
Quarter 2	94.9	93.4	1.5 **	(0.6)
Quarter 3	92.5	89.0	3.5 ***	(0.8)
Quarter 4	90.4	85.5	4.8 ***	(0.9)
Quarter 5	89.1	82.6	6.5 ***	(0.9)
Quarter 6	87.2	80.0	7.3 ***	(1.0)

(continued)

Table C.2: SSP Impacts on IA and Supplement Receipt and Payments, by Quarter (Cont'd)

Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)	Standard Error
Receiving either IA or SSP (%)				
Quarter 7	85.2	77.3	7.9 ***	(1.0)
Quarter 8	83.7	74.8	8.9 ***	(1.1)
Quarter 9	81.6	72.6	9.0 ***	(1.1)
Quarter 10	80.2	70.7	9.6 ***	(1.2)
Quarter 11	80.0	69.1	11.0 ***	(1.2)
Quarter 12	79.0	68.0	11.0 ***	(1.2)
Quarter 13	75.6	66.1	9.5 ***	(1.2)
Quarter 14	69.9	64.0	5.8 ***	(1.3)
Quarter 15	65.2	61.8	3.3 **	(1.3)
Quarter 16	60.5	59.9	0.6	(1.3)
Quarter 17	55.8	58.4	-2.6 *	(1.4)
Quarter 18	53.5	57.1	-3.6 ***	(1.4)
Quarter 19	52.6	55.7	-3.1 **	(1.4)
Quarter 20	50.8	53.7	-2.9 **	(1.4)
Average payments from IA and SSP supplement ($/month)				
Quarter 1	867	841	26 ***	(8)
Quarter 2	869	809	60 ***	(9)
Quarter 3	846	777	69 ***	(10)
Quarter 4	831	751	81 ***	(11)
Quarter 5	826	727	100 ***	(11)
Quarter 6	795	705	90 ***	(11)
Quarter 7	761	678	83 ***	(12)
Quarter 8	732	650	81 ***	(12)
Quarter 9	703	621	82 ***	(12)
Quarter 10	685	596	88 ***	(12)
Quarter 11	675	579	96 ***	(12)
Quarter 12	657	567	90 ***	(12)
Quarter 13	630	546	84 ***	(12)
Quarter 14	565	516	48 ***	(12)
Quarter 15	517	491	25 **	(12)
Quarter 16	476	471	5	(12)
Quarter 17	435	457	-22 *	(12)
Quarter 18	418	446	-28 **	(12)
Quarter 19	411	431	-21 *	(12)
Quarter 20	393	414	-21 *	(12)
Sample size (total = 4,852)	2,460	2,392		

Sources: Calculations from income assistance (IA) administrative records and payment records from SSP's Program Management Information System.

Notes: The estimates for each quarter are calculated by averaging the monthly estimates for the three months within the quarter.
Sample sizes vary for individual measures because of missing values.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

Table C.3: SSP Impacts on Employment and Earnings, by Province

Outcome (Monthly Average)	British Columbia				New Brunswick			
	Program Group	Control Group	Difference (Impact)	Standard Error	Program Group	Control Group	Difference (Impact)	Standard Error
Full-time employment rate [a] (%)								
Quarter 1	10.3	9.1	1.3	(1.1)	11.4	10.3	1.1	(1.2)
Quarter 2	14.6	9.9	4.7 ***	(1.3)	17.0	11.7	5.3 ***	(1.4)
Quarter 3	18.5	11.2	7.3 ***	(1.4)	21.6	13.3	8.3 ***	(1.5)
Quarter 4	23.1	13.1	10.0 ***	(1.4)	27.8	14.3	13.6 ***	(1.6)
Quarter 5	27.4	13.7	13.7 ***	(1.5)	32.3	16.3	16.0 ***	(1.7)
Quarter 6	25.5	14.0	11.5 ***	(1.5)	33.2	17.5	15.7 ***	(1.7)
Quarter 7	25.0	15.8	9.2 ***	(1.5)	31.5	17.4	14.1 ***	(1.7)
Quarter 8	24.2	16.1	8.1 ***	(1.5)	30.4	17.2	13.2 ***	(1.7)
Quarter 9	24.4	15.8	8.7 ***	(1.5)	29.6	17.8	11.8 ***	(1.7)
Quarter 10	25.3	17.3	8.0 ***	(1.6)	29.6	19.2	10.3 ***	(1.7)
Quarter 11	25.9	18.3	7.7 ***	(1.6)	30.6	20.2	10.4 ***	(1.7)
Quarter 12	26.3	19.2	7.1 ***	(1.6)	30.5	19.3	11.2 ***	(1.7)
Quarter 13	26.2	20.5	5.7 ***	(1.6)	31.2	21.3	10.0 ***	(1.7)
Quarter 14	25.4	21.9	3.5 **	(1.7)	31.8	22.6	9.2 ***	(1.8)
Quarter 15	25.6	22.3	3.3 **	(1.7)	31.6	23.3	8.4 ***	(1.8)
Quarter 16	26.0	22.9	3.1 *	(1.7)	31.0	24.0	7.1 ***	(1.8)
Quarter 17	25.0	24.7	0.3	(1.7)	31.9	25.3	6.6 ***	(1.8)
Quarter 18	24.3	26.4	-2.0	(1.7)	32.0	26.6	5.4 ***	(1.8)
Part-time employment rate [b] (%)								
Quarter 1	12.6	14.0	-1.4	(1.3)	14.1	13.9	0.2	(1.4)
Quarter 2	10.4	13.7	-3.3 ***	(1.2)	12.9	14.8	-1.9	(1.4)
Quarter 3	10.7	13.5	-2.8 **	(1.2)	12.3	14.6	-2.2	(1.4)
Quarter 4	10.6	13.2	-2.7 **	(1.2)	10.6	13.0	-2.4 *	(1.3)
Quarter 5	11.5	13.2	-1.6	(1.2)	11.1	13.4	-2.2 *	(1.3)
Quarter 6	12.2	14.6	-2.4 *	(1.3)	11.7	15.0	-3.3 **	(1.3)
Quarter 7	12.2	14.0	-1.8	(1.3)	12.6	15.3	-2.7 *	(1.4)
Quarter 8	12.0	13.1	-1.1	(1.3)	12.9	14.9	-2.1	(1.4)

(continued)

Table C.3: SSP Impacts on Employment and Earnings, by Province (Cont'd)

Outcome (Monthly Average)	British Columbia				New Brunswick			
	Program Group	Control Group	Difference (Impact)	Standard Error	Program Group	Control Group	Difference (Impact)	Standard Error
Part-time employment rate [b] (%)								
Quarter 9	12.1	12.9	-0.8	(1.3)	14.0	15.4	-1.5	(1.4)
Quarter 10	11.5	12.3	-0.8	(1.2)	12.9	14.8	-1.9	(1.4)
Quarter 11	11.0	13.1	-2.1 *	(1.2)	12.4	15.6	-3.2 **	(1.4)
Quarter 12	11.7	14.0	-2.3 *	(1.3)	12.7	16.6	-4.0 ***	(1.4)
Quarter 13	12.6	13.5	-0.9	(1.2)	12.6	15.9	-3.4 **	(1.3)
Quarter 14	12.0	12.7	-0.7	(1.3)	12.0	15.4	-3.4 **	(1.4)
Quarter 15	13.0	12.9	0.1	(1.3)	13.0	15.9	-2.9 **	(1.4)
Quarter 16	12.7	13.3	-0.6	(1.3)	14.1	16.4	-2.3	(1.4)
Quarter 17	13.2	12.7	0.5	(1.3)	14.5	17.1	-2.6 *	(1.5)
Quarter 18	13.6	13.0	0.6	(1.3)	14.1	17.9	-3.8 **	(1.5)
Overall employment rate (%)								
Quarter 1	22.9	23.0	-0.1	(1.6)	25.5	24.3	1.3	(1.7)
Quarter 2	25.0	23.6	1.5	(1.6)	29.8	26.5	3.4 *	(1.8)
Quarter 3	29.2	24.7	4.5 ***	(1.7)	33.9	27.9	6.1 ***	(1.8)
Quarter 4	33.6	26.3	7.3 ***	(1.7)	38.5	27.3	11.2 ***	(1.9)
Quarter 5	38.9	26.8	12.1 ***	(1.8)	43.5	29.6	13.8 ***	(1.9)
Quarter 6	37.7	28.6	9.1 ***	(1.8)	44.9	32.5	12.4 ***	(1.9)
Quarter 7	37.1	29.8	7.4 ***	(1.8)	44.1	32.7	11.4 ***	(2.0)
Quarter 8	36.2	29.2	7.0 ***	(1.8)	43.2	32.1	11.1 ***	(1.9)
Quarter 9	36.5	28.6	7.9 ***	(1.8)	43.6	33.2	10.4 ***	(2.0)
Quarter 10	36.8	29.6	7.1 ***	(1.8)	42.4	34.0	8.5 ***	(1.9)
Quarter 11	36.9	31.4	5.6 ***	(1.8)	43.0	35.7	7.2 ***	(2.0)
Quarter 12	38.0	33.1	4.8 ***	(1.8)	43.1	35.9	7.2 ***	(1.9)
Quarter 13	38.8	34.0	4.8 ***	(1.8)	43.8	37.2	6.6 ***	(2.0)
Quarter 14	37.4	34.6	2.8	(1.9)	43.8	38.1	5.8 ***	(2.0)
Quarter 15	38.6	35.3	3.3 *	(1.9)	44.6	39.1	5.5 ***	(2.0)
Quarter 16	38.7	36.2	2.5	(1.9)	45.2	40.4	4.8 **	(2.0)
Quarter 17	38.2	37.4	0.7	(1.9)	46.4	42.4	4.0 **	(2.0)
Quarter 18	38.0	39.4	-1.4	(1.9)	46.1	44.5	1.6	(2.0)

(continued)

Table C.3: SSP Impacts on Employment and Earnings, by Province (Cont'd)

	British Columbia				New Brunswick			
Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)	Standard Error	Program Group	Control Group	Difference (Impact)	Standard Error
Average earnings ($/month)								
Quarter 1	161	168	-6	(17)	132	128	4	(14)
Quarter 2	225	194	31	(21)	190	153	37 **	(16)
Quarter 3	276	218	59 **	(23)	232	177	55 ***	(18)
Quarter 4	337	239	98 ***	(25)	286	182	104 ***	(20)
Quarter 5	392	257	136 ***	(26)	323	209	114 ***	(20)
Quarter 6	379	264	115 ***	(26)	344	232	112 ***	(20)
Quarter 7	401	325	76 **	(32)	355	248	106 ***	(22)
Quarter 8	395	332	63 *	(33)	348	238	110 ***	(22)
Quarter 9	393	320	73 **	(33)	346	254	92 ***	(22)
Quarter 10	423	336	88 **	(37)	352	287	65 ***	(24)
Quarter 11	435	364	71 *	(38)	358	302	56 **	(24)
Quarter 12	429	393	36	(38)	363	300	63 **	(24)
Quarter 13	463	428	35	(35)	397	327	70 ***	(25)
Quarter 14	519	489	30	(38)	424	363	61 **	(27)
Quarter 15	528	492	35	(38)	438	370	67 **	(27)
Quarter 16	538	504	34	(38)	446	380	66 **	(27)
Quarter 17	536	522	14	(38)	457	398	59 **	(27)
Quarter 18	528	550	-22	(38)	460	421	39	(28)
Sample size (total = 4,852)	1,294	1,244			1,166	1,148		

Sources: Calculations from baseline survey data and 18-month, 36-month, and 54-month follow-up survey data.

Notes: The estimates for Quarter 1 to Quarter 18 are calculated by averaging the monthly estimates for the three months within a qua
Sample sizes vary for individual measures because of missing values.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]"Full-time employment" is defined as working 30 hours or more per week in at least one week during the month.
[b]"Part-time employment" is defined as having some employment but no full-time employment during the month.

Table C.4: SSP Impacts on IA and Supplement Receipt and Payments, by Province

	British Columbia				New Brunswick			
Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)	Standard Error	Program Group	Control Group	Difference (Impact)	Standard Error
Receiving IA (%)								
Quarter 1	97.6	97.6	0.0	(0.5)	97.2	98.2	-0.9 **	(0.4)
Quarter 2	91.2	93.4	-2.3 **	(0.9)	85.5	93.4	-7.9 ***	(1.1)
Quarter 3	85.0	90.1	-5.1 ***	(1.2)	75.8	87.9	-12.0 ***	(1.5)
Quarter 4	80.5	87.4	-6.9 ***	(1.4)	68.2	83.6	-15.4 ***	(1.7)
Quarter 5	75.1	85.5	-10.3 ***	(1.5)	63.3	79.6	-16.3 ***	(1.8)
Quarter 6	70.5	82.6	-12.2 ***	(1.6)	60.2	77.1	-16.9 ***	(1.8)
Quarter 7	69.8	79.7	-10.0 ***	(1.6)	58.7	74.6	-15.9 ***	(1.9)
Quarter 8	69.0	77.3	-8.3 ***	(1.7)	57.5	72.1	-14.6 ***	(1.9)
Quarter 9	66.9	74.8	-7.9 ***	(1.7)	57.1	70.2	-13.1 ***	(1.9)
Quarter 10	65.2	71.9	-6.7 ***	(1.8)	56.5	69.3	-12.8 ***	(1.9)
Quarter 11	64.7	69.9	-5.2 ***	(1.8)	55.9	68.2	-12.3 ***	(1.9)
Quarter 12	62.4	68.7	-6.3 ***	(1.8)	57.0	67.2	-10.2 ***	(2.0)
Quarter 13	61.4	66.7	-5.3 ***	(1.8)	55.9	65.5	-9.6 ***	(2.0)
Quarter 14	59.9	63.3	-3.4 *	(1.9)	55.6	64.8	-9.2 ***	(2.0)
Quarter 15	57.2	60.4	-3.2 *	(1.9)	55.9	63.4	-7.6 ***	(2.0)
Quarter 16	55.7	57.7	-2.0	(1.9)	54.3	62.3	-8.0 ***	(2.0)
Quarter 17	54.3	56.1	-1.8	(1.9)	54.3	60.9	-6.5 ***	(2.0)
Quarter 18	53.6	54.6	-1.0	(1.9)	53.3	59.8	-6.5 ***	(2.0)
Quarter 19	52.8	53.6	-0.8	(1.9)	52.4	58.0	-5.6 ***	(2.0)
Quarter 20	50.4	51.5	-1.1	(1.9)	51.1	56.0	-4.9 **	(2.0)
Average IA payments ($/month)								
Quarter 1	1,017	997	20 *	(11)	672	671	1	(8)
Quarter 2	956	964	-7	(14)	601	641	-39 ***	(10)
Quarter 3	888	935	-47 ***	(16)	536	605	-69 ***	(12)
Quarter 4	839	908	-69 ***	(17)	491	580	-88 ***	(13)
Quarter 5	778	881	-102 ***	(18)	456	560	-104 ***	(14)
Quarter 6	737	855	-118 ***	(19)	429	542	-112 ***	(14)
Quarter 7	718	820	-102 ***	(19)	416	525	-109 ***	(15)
Quarter 8	691	780	-89 ***	(19)	410	510	-100 ***	(15)
Quarter 9	648	735	-87 ***	(19)	407	498	-91 ***	(15)

(continued)

Table C.4: SSP Impacts on IA and Supplement Receipt and Payments, by Province (Cont'd)

Outcome (Monthly Average)	British Columbia Program Group	British Columbia Control Group	British Columbia Difference (Impact)	British Columbia Standard Error	New Brunswick Program Group	New Brunswick Control Group	New Brunswick Difference (Impact)	New Brunswick Standard Error
Average IA payments ($/month)								
Quarter 10	622	692	-70 ***	(19)	404	493	-89 ***	(15)
Quarter 11	605	661	-56 ***	(19)	404	490	-86 ***	(15)
Quarter 12	576	637	-61 ***	(19)	415	490	-75 ***	(16)
Quarter 13	560	608	-48 ***	(19)	408	479	-71 ***	(16)
Quarter 14	519	557	-37 **	(18)	406	473	-67 ***	(16)
Quarter 15	486	514	-28	(18)	402	467	-64 ***	(16)
Quarter 16	470	487	-17	(18)	391	453	-62 ***	(16)
Quarter 17	458	472	-14	(18)	383	440	-57 ***	(16)
Quarter 18	454	464	-10	(18)	379	427	-48 ***	(15)
Quarter 19	443	452	-8	(18)	374	409	-35 **	(15)
Quarter 20	420	432	-12	(18)	363	394	-31 **	(16)
Receiving either IA or SSP (%)								
Quarter 1	98.0	97.6	0.4	(0.5)	97.9	98.2	-0.3	(0.4)
Quarter 2	96.2	93.4	2.8 ***	(0.8)	93.5	93.4	0.0	(0.9)
Quarter 3	94.5	90.1	4.4 ***	(1.0)	90.3	87.9	2.5 **	(1.2)
Quarter 4	92.8	87.4	5.4 ***	(1.1)	87.6	83.6	4.1 ***	(1.3)
Quarter 5	91.8	85.5	6.4 ***	(1.2)	86.2	79.6	6.6 ***	(1.4)
Quarter 6	89.3	82.6	6.6 ***	(1.3)	84.9	77.1	7.9 ***	(1.5)
Quarter 7	87.0	79.7	7.3 ***	(1.4)	83.1	74.6	8.5 ***	(1.6)
Quarter 8	85.6	77.3	8.2 ***	(1.5)	81.6	72.1	9.5 ***	(1.6)
Quarter 9	83.0	74.8	8.2 ***	(1.5)	80.0	70.2	9.9 ***	(1.7)
Quarter 10	81.5	71.9	9.6 ***	(1.6)	78.8	69.3	9.5 ***	(1.7)
Quarter 11	80.9	69.9	11.0 ***	(1.6)	79.1	68.2	10.9 ***	(1.7)
Quarter 12	78.5	68.7	9.8 ***	(1.6)	79.6	67.2	12.3 ***	(1.7)
Quarter 13	75.6	66.7	8.9 ***	(1.7)	75.6	65.5	10.1 ***	(1.8)
Quarter 14	70.9	63.3	7.6 ***	(1.8)	68.8	64.8	3.9 **	(1.9)
Quarter 15	66.1	60.4	5.7 ***	(1.8)	64.2	63.4	0.8	(1.9)
Quarter 16	61.2	57.7	3.5 *	(1.9)	59.7	62.3	-2.6	(1.9)

(continued)

Table C.4: SSP Impacts on IA and Supplement Receipt and Payments, by Province (Cont'd)

	British Columbia				New Brunswick			
Outcome (Monthly Average)	Program Group	Control Group	Difference (Impact)	Standard Error	Program Group	Control Group	Difference (Impact)	Standard Error
Receiving either IA or SSP (%)								
Quarter 17	55.6	56.1	-0.6	(1.9)	56.1	60.9	-4.8 **	(2.0)
Quarter 18	53.7	54.6	-1.0	(1.9)	53.3	59.8	-6.5 ***	(2.0)
Quarter 19	52.8	53.6	-0.8	(1.9)	52.4	58.0	-5.6 ***	(2.0)
Quarter 20	50.4	51.5	-1.1	(1.9)	51.1	56.0	-4.9 **	(2.0)
Average payments from IA and SSP supplement ($/month)								
Quarter 1	1,030	997	33 ***	(11)	687	671	15 **	(8)
Quarter 2	1,026	964	62 ***	(13)	695	641	54 ***	(10)
Quarter 3	1,001	935	66 ***	(14)	674	605	69 ***	(11)
Quarter 4	984	908	76 ***	(15)	661	580	81 ***	(12)
Quarter 5	980	881	99 ***	(16)	656	560	96 ***	(13)
Quarter 6	929	855	74 ***	(17)	646	542	104 ***	(13)
Quarter 7	890	820	70 ***	(17)	618	525	93 ***	(13)
Quarter 8	850	780	71 ***	(18)	600	510	90 ***	(14)
Quarter 9	804	735	70 ***	(18)	591	498	93 ***	(14)
Quarter 10	774	692	82 ***	(18)	586	493	93 ***	(14)
Quarter 11	752	661	91 ***	(18)	590	490	100 ***	(14)
Quarter 12	719	637	81 ***	(18)	588	490	98 ***	(14)
Quarter 13	692	608	84 ***	(18)	562	479	83 ***	(15)
Quarter 14	617	557	60 ***	(18)	507	473	34 **	(15)
Quarter 15	562	514	48 ***	(17)	467	467	0	(15)
Quarter 16	516	487	29 *	(17)	432	453	-21	(15)
Quarter 17	470	472	-2	(18)	396	440	-44 ***	(15)
Quarter 18	454	464	-10	(18)	379	427	-48 ***	(15)
Quarter 19	443	452	-8	(18)	374	409	-35 **	(15)
Quarter 20	420	432	-12	(18)	363	394	-31 **	(16)
Sample size (total = 4,852)	1,294	1,244			1,166	1,148		

Sources: Calculations from income assistance (IA) administrative records and payment records from SSP's Program Management Information System.

Notes: The estimates for each quarter are calculated by averaging the monthly estimates for the three months within the quarter.
Sample sizes vary for individual measures because of missing values.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

Table C.5: SSP Impacts on the Distributions of Wages and Hours, Months 15, 33, and 52, by Province

British Columbia

Outcome	Month 15 Control Group	Month 15 Difference (Impact)	Month 33 Control Group	Month 33 Difference (Impact)	Month 52 Control Group	Month 52 Difference (Impact)
Hourly wage rate (% in each category)						
Not working	72.7	-11.5 ***	68.1	-5.3 ***	60.6	1.6
Wage unreported[a]	1.8	-0.8 *	2.7	-0.6	3.8	-1.2 *
Less than minimum wage[b]	3.1	0.3	4.0	-0.2	4.1	0.5
Minimum to $1.99 above minimum	8.0	10.6 ***	10.5	4.0 ***	10.2	-0.5
$2 or more above minimum	14.5	1.3	14.7	2.1	21.3	-0.4
Hours worked per week (% in each category)						
Not working	72.7	-11.5 ***	68.1	-5.3 ***	60.6	1.6
Hours per week unreported[a]	1.0	-0.3	0.7	0.2	0.6	0.2
Fewer than 30	12.4	-1.6	12.4	-2.5 **	12.5	0.1
30	2.1	3.6 ***	1.8	3.2 ***	2.9	0.7
31–39	3.7	6.3 ***	6.4	3.2 ***	7.7	-1.3
40 or more	8.0	3.4 ***	10.5	1.1	15.6	-1.2
Sample size	1,244		1,244		1,244	

New Brunswick

Outcome	Month 15 Control Group	Month 15 Difference (Impact)	Month 33 Control Group	Month 33 Difference (Impact)	Month 52 Control Group	Month 52 Difference (Impact)
Hourly wage rate (% in each category)						
Not working	69.3	-12.7 ***	63.9	-7.1 ***	56.1	-2.4
Wage unreported[a]	0.7	0.2	1.7	-0.6	2.9	-1.2 **
Less than minimum wage[c]	4.5	-0.7	5.9	-0.9	4.0	0.0
Minimum to $1.99 above minimum	16.0	14.8 ***	16.8	9.9 ***	20.8	3.2 *
$2 or more above minimum	9.4	-1.5	11.7	-1.4	16.2	0.4
Hours worked per week (% in each category)						
Not working	69.3	-12.7 ***	63.9	-7.1 ***	56.1	-2.4
Hours per week unreported[a]	0.3	0.1	0.7	-0.5 *	0.8	-0.4
Fewer than 30	13.2	-2.4 *	15.5	-3.1 **	16.6	-2.7 *
30	1.6	6.4 ***	2.3	4.7 ***	2.1	1.3 *
31–39	6.4	5.9 ***	5.8	5.4 ***	9.8	1.0
40 or more	9.1	2.8 **	11.8	0.6	14.5	3.3 **
Sample size	1,148		1,148		1,148	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

All analyses were only for those who responded to the 54-month survey.

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

Rounding may cause slight discrepancies in sums and differences.

[a]Sample members in this category were employed during the month but did not report enough information about hours worked and/or earnings for the outcome in question to be calculated.

[b]In British Columbia the minimum wage was $5.50 per hour from the beginning of the random assignment period in November 1992 until April 1993, when it rose to $6.00. The minimum wage increased to $6.50 in March 1995 and to $7.00 in October 1995. In April 1998 it was increased again to $7.15.

[c]In New Brunswick the minimum wage was $5.00 per hour from 1992 through 1995. In January 1996 it increased to $5.25, and in July 1996 it rose again to $5.50.

Table C.6: SSP Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 18-Month, 36-Month, and 54-Month Follow-Up Interviews, by Province

British Columbia

Outcome	18-Month Control Group	18-Month Difference (Impact)	36-Month Control Group	36-Month Difference (Impact)	54-Month Control Group	54-Month Difference (Impact)
Sources of individual income ($/month)						
Earnings	248	138 ***	406	48	553	-8
SSP supplement payments	0	373 ***	0	148 ***	0	3 ***
IA payments	878	-112 ***	652	-63 ***	460	-12
Other transfer payments[a]	196	-3	246	-4	348	2
Other unearned income[b]	67	6	113	-11	112	-9
Projected taxes and net transfer payments ($/month)						
Projected income taxes[c]	4	32 ***	81	31 *	80	-4
Net transfer payments[d]	1,069	251 ***	827	55 *	739	-5
Total individual and family income						
Total individual income ($)	1,401	224 ***	1,430	121 ***	1,484	-22
Total individual income net of taxes ($)	1,369	172 ***	1,349	90 ***	1,404	-19
Total family income ($)[e]	1,457	204 ***	1,631	102 *	1,766	-45
Income below the low income cut-offs (%)[f]	87.1	-11.7 ***	83.4	-6.2 ***	80.8	-0.1
Below 50% of LICOs	17.1	-5.0 ***	24.5	-3.8 *	26.6	-0.1
50 to 75% of LICOs	48.9	-8.0 ***	45.3	-4.9 **	40.5	0.0
75 to 100% of LICOs	21.1	1.4	13.6	2.5	13.7	0.1
Income above low income cut-offs	12.9	11.7 ***	16.6	6.2 ***	19.2	0.1
Sample size (total = 2,397)	1,186		1,186		1,186	

New Brunswick

Outcome	18-Month Control Group	18-Month Difference (Impact)	36-Month Control Group	36-Month Difference (Impact)	54-Month Control Group	54-Month Difference (Impact)
Sources of individual income ($/month)						
Earnings	205	116 ***	303	70 ***	414	46 *
SSP supplement payments	0	399 ***	0	176 ***	0	5 ***
IA payments	557	-107 ***	492	-81 ***	430	-52 ***
Other transfer payments[a]	219	-16 **	230	7	249	-3
Other unearned income[b]	40	-3	72	-12	78	-26 ***
Projected taxes and net transfer payments ($/month)						
Projected income taxes[c]	5	20 ***	45	36 ***	43	-5
Net transfer payments[d]	772	270 ***	687	56 ***	640	-50 **
Total individual and family income						
Total individual income ($)	1,032	193 ***	1,105	151 ***	1,185	-39
Total individual income net of taxes ($)	1,016	155 ***	1,059	115 ***	1,141	-34
Total family income ($)[e]	1,129	193 ***	1,259	198 ***	1,497	22
Income below the low income cut-offs (%)[f]	91.6	-13.2 ***	88.1	-12.5 ***	81.7	-1.7
Below 50% of LICOs	25.6	-2.0	28.1	-1.5	26.9	2.2
50 to 75% of LICOs	52.2	-13.2 ***	46.8	-10.3 ***	39.5	-3.2
75 to 100% of LICOs	13.8	1.9	13.2	-0.8	15.3	-0.7
Income above low income cut-offs	8.4	13.2 ***	11.9	12.5 ***	18.3	1.7
Sample size (total = 2,305)	1,141		1,141		1,141	

(continued)

Table C.6: SSP Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 18-Month, 36-Month, and 54-Month Follow-Up Interviews, by Province (Cont'd)

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data, income assistance (IA) administrative records, and payment records from SSP's Program Management Information System.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differences.

All analyses were only for those who responded to the 54-month survey.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

[a]Includes the Child Tax Benefit, the Goods and Services Tax Credit, Employment Insurance (EI), provincial tax credits, and, for the 54-month sample only, the Family Bonus.

[b]Includes alimony, child support, income from roomers and boarders, and other reported income.

[c]Includes projected EI premiums and Canada Pension Plan premiums deducted at payroll, and projected income taxes. Payroll deductions and income taxes were projected from federal and provincial tax schedules and data on earned and unearned income and SSP supplement payments; the actual taxes paid by sample members may differ from these projections.

[d]Includes public expenditures on SSP, IA payments, and other transfers, net of income tax revenue.

[e]Family income is measured by the sum of the sample member's income and the labour earnings of any other members of that person's family.

[f]Calculated by comparing annualized family income with the low income cut-off (LICO) defined by Statistics Canada for the sample member's location and family size.

Table C.7: SSP Impacts on Expenditures, Hardship, and Assets at Months 18, 36, and 54, by Province

British Columbia

	18-Month		36-Month		54-Month	
Outcome	Control Group	Difference (Impact)	Control Group	Difference (Impact)	Control Group	Difference (Impact)
Expenditures ($/month)						
Spending on groceries	382	18 **	391	13	409	3
Spending on eating out	42	3	46	7 **	42	2
Spending on children's clothing	42	4 **	42	2	38	0
Spending on own clothing	n/a	n/a	14	2	14	1
Spending on child care	n/a	n/a	20	8 **	36	-3
Rent	589	9	523	-6	614	-12
Hardship (%)						
Used food bank in last 3 months	17.3	0.4	16.5	1.4	16.3	1.5
Couldn't get groceries	47.5	0.0	40.0	-3.9 *	35.5	0.6
Gas or hydro turned off	2.7	0.7	1.5	0.2	1.6	0.7
Money in bank						
Amount of money in bank ($)	n/a	n/a	426	-54	332	21
Money in bank unreported (%)	n/a	n/a	14.6	-0.4	9.9	0.5
No money in bank (%)	n/a	n/a	24.2	2.1	27.5	0.9
$1–$499 in bank (%)	n/a	n/a	51.9	-3.1	50.9	-0.8
$500 and above in bank (%)	n/a	n/a	9.4	1.4	11.7	-0.5
Debt						
Amount of debt ($)	n/a	n/a	2,628	-86	3,540	137
Debt unreported (%)	n/a	n/a	11.9	-0.7	6.2	-0.5
No debt (%)	n/a	n/a	45.2	0.3	42.0	1.3
Debt of $1–$2,499 (%)	n/a	n/a	21.3	-0.1	22.5	-2.4
Debt of $2,500 and above (%)	n/a	n/a	21.6	0.5	29.3	1.7
Sample size (total = 2,538)	1,244		1,244		1,244	

(continued)

Table C.7: SSP Impacts on Expenditures, Hardship, and Assets at Months 18, 36, and 54, by Province (Cont'd)

New Brunswick

	18-Month		36-Month		54-Month	
Outcome	Control Group	Difference (Impact)	Control Group	Difference (Impact)	Control Group	Difference (Impact)
Expenditures ($/month)						
Spending on groceries	318	18 **	327	12 *	328	-6
Spending on eating out	38	6 **	46	6 ***	37	3
Spending on children's clothing	45	6 ***	48	2	42	-1
Spending on own clothing	n/a	n/a	14	1	12	0
Spending on child care	n/a	n/a	21	13 ***	34	6
Rent	317	13 *	282	24 ***	342	9
Hardship (%)						
Used food bank in last 3 months	23.0	-3.6 **	19.5	-2.8 *	20.3	-2.4
Couldn't get groceries	34.7	-6.2 ***	27.2	-4.4 **	25.2	0.4
Gas or hydro turned off	4.1	-0.9	2.3	0.4	3.0	-0.3
Money in bank						
Amount of money in bank ($)	n/a	n/a	87	71 ***	165	4
Money in bank unreported (%)	n/a	n/a	9.1	-0.7	5.1	-0.9
No money in bank (%)	n/a	n/a	40.3	-4.7 **	48.0	-2.5
$1- $499 in bank (%)	n/a	n/a	45.6	3.1	39.6	2.3
$500 and above in bank (%)	n/a	n/a	5.0	2.3 **	7.2	1.0
Debt						
Amount of debt ($)	n/a	n/a	2,615	-227	3,215	44
Debt unreported (%)	n/a	n/a	8.0	0.1	4.3	-0.3
No debt (%)	n/a	n/a	45.0	0.2	43.9	-3.0
Debt of $1–$2,499 (%)	n/a	n/a	24.8	0.6	26.1	0.0
Debt of $2,500 and above (%)	n/a	n/a	22.1	-1.0	25.8	3.3 *
Sample size (total = 2,314)	1,148		1,148		1,148	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

All analyses were only for those who responded to the 54-month survey.

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

Rounding may cause slight discrepancies in sums and differences.

Sample sizes vary for individual measures because of missing values.

Sample members were asked at each interview how much they spent in an average week on each of these items. Food expenditures were converted to monthly estimates by assuming 4.33 weeks per month. For other items, the precise questions as asked in the 54 month follow-up survey were as follows. For use of a food bank: "In the past three months have you or other members of your family used a food bank to obtain groceries for your household?" For children's clothing: "On average how much do you and your family spend each month on children's clothing?" For monthly rent: "What do you and your family pay towards your monthly rent or mortgage?"

Appendix D:
Child Care and Family Results by Province

Table D.1: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Infants/Toddlers, British Columbia

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
PPVT-R score[b]	89.4	2.6	(2.2)	—	—	—
Average achievement[c]	—	—	—	3.8	0.0	(0.1)
Above average, any subject (%)	—	—	—	71.0	4.5	(3.6)
Below average, any subject (%)	—	—	—	12.1	-0.4	(2.6)
Any grade repeated (%)	—	—	—	1.6	0.8	(1.1)
Ever in special education (%)	—	—	—	11.0	1.2	(2.6)
Behaviour and emotional well-being						
Behaviour problems[d]	1.5	0.0	(0.0)	1.3	0.0	(0.0)
Positive social behaviour[d]	2.5	0.0	(0.0)	2.6	0.0	(0.0)
Health and safety						
Average health[e]	4.1	-0.1	(0.1)	4.1	0.0	(0.1)
Any long-term problems (%)	21.1	2.9	(4.6)	13.2	5.2 *	(2.9)
Any injuries (%)	14.1	-2.5	(3.6)	9.4	-2.2	(2.2)
Sample size	170	342		320	615	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 1 or 2 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a]The sample size in this column is the sum of the program and control group sample sizes.

[b]The Peabody Picture Vocabulary Test–Revised (PPVT-R) is a test of children's understanding of words. Scores reported are standardized scores.

[c]Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[d]Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).

[e]Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Table D.2: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Infants/Toddlers, New Brunswick

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
PPVT-R score[b]	92.0	0.0	(1.6)	—	—	—
Average achievement[c]	—	—	—	4.0	0.1	(0.1)
Above average, any subject (%)	—	—	—	76.8	2.6	(3.6)
Below average, any subject (%)	—	—	—	10.9	-3.2	(2.5)
Any grade repeated (%)	—	—	—	3.6	-1.2	(1.5)
Ever in special education (%)	—	—	—	17.6	-4.8	(3.1)
Behaviour and emotional well-being						
Behaviour problems[d]	1.5	0.0	(0.0)	1.3	0.0	(0.0)
Positive social behaviour[d]	2.6	0.0	(0.0)	2.8	0.0	(0.0)
Health and safety						
Average health[e]	4.0	0.0	(0.1)	4.1	0.0	(0.1)
Any long-term problems (%)	33.6	-4.3	(4.5)	26.0	-2.4	(3.7)
Any injuries (%)	12.0	-3.8	(2.9)	13.0	-2.9	(2.7)
Sample size	226	423		285	544	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 1 or 2 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a]The sample size in this column is the sum of the program and control group sample sizes.

[b]The Peabody Picture Vocabulary Test–Revised (PPVT-R) is a test of children's understanding of words. Scores reported are standardized scores.

[c]Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[d]Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).

[e]Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Table D.3: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Preschoolers, British Columbia

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
PPVT-R score[b]	92.7	1.4	(2.3)	—	—	—
Math score[c]	0.4	0.1 *	(0.1)	—	—	—
Average achievement[d]	3.6	0.1	(0.1)	3.8	0.1	(0.1)
Above average, any subject (%)	72.1	0.8	(5.4)	74.8	4.2	(3.4)
Below average, any subject (%)	28.1	-11.3 **	(5.1)	24.8	-7.9 **	(3.2)
Any grade repeated (%)	4.4	-0.7	(2.4)	3.6	-0.5	(1.4)
Ever in special education (%)	—	—	—	22.5	-6.6 **	(3.1)
Behaviour and emotional well-being						
Behaviour problems[e]	1.4	0.0	(0.0)	1.3	0.0	(0.0)
School behaviour problems[f]	1.2	0.0	(0.1)	—	—	—
Positive social behaviour[e]	2.6	0.0	(0.0)	2.6	0.0	(0.0)
Health and safety						
Average health[g]	4.1	-0.1	(0.1)	4.2	0.0	(0.1)
Any long-term problems (%)	29.9	-1.9	(4.7)	20.9	-2.6	(3.2)
Any injuries (%)	10.5	4.2	(3.5)	10.5	1.4	(2.5)
Sample size	184	370		306	628	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 3 or 4 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] The Peabody Picture Vocabulary Test–Revised (PPVT-R) is a test of children's understanding of words. Scores reported are standardized scores.

[c] The math score reflects the proportion of items answered correctly in a math skills test.

[d] Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[e] Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).

[f] Parents of children were asked how often in the past school year they were contacted by the school about their child's problem behaviour in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[g] Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Table D.4: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Preschoolers, New Brunswick

Outcome	36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
PPVT-R score[b]	90.7	2.4	(2.1)	—	—	—
Math score[c]	0.3	0.1	(0.1)	—	—	—
Average achievement[d]	3.7	0.2	(0.1)	3.9	0.0	(0.1)
Above average, any subject (%)	69.9	6.6	(4.9)	72.2	6.0	(3.9)
Below average, any subject (%)	16.3	-1.6	(4.1)	18.0	-1.0	(3.4)
Any grade repeated (%)	7.1	1.7	(3.0)	11.0	0.8	(2.9)
Ever in special education (%)	—	—	—	22.0	-1.1	(3.7)
Behaviour and emotional well-being						
Behaviour problems[e]	1.4	0.0	(0.0)	1.3	0.0	(0.0)
School behaviour problems[f]	1.3	0.0	(0.1)	—	—	—
Positive social behaviour[e]	2.6	0.0	(0.0)	2.8	0.0	(0.0)
Health and safety						
Average health[g]	4.0	0.2 **	(0.1)	4.2	0.2 **	(0.1)
Any long-term problems (%)	37.4	-5.5	(4.8)	25.1	-1.5	(3.8)
Any injuries (%)	9.6	-3.4	(2.7)	10.0	2.6	(2.8)
Sample size	190	391		254	509	

Sources: Calculations from 36-month and 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 3 or 4 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] The Peabody Picture Vocabulary Test–Revised (PPVT-R) is a test of children's understanding of words. Scores reported are standardized scores.

[c] The math score reflects the proportion of items answered correctly in a math skills test.

[d] Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[e] Behaviour problems and positive social behaviour are rated on a scale from 1 (never) to 3 (often).

[f] Parents of children were asked how often in the past school year they were contacted by the school about their child's problem behaviour in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[g] Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Table D.5: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Young Adolescents, British Columbia

Outcome	36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
Parental report						
Average achievement[b]	3.5	-0.1	(0.2)	—	—	—
Above average, any subject (%)	67.1	-2.1	(7.1)	—	—	—
Below average, any subject (%)	36.5	-6.5	(7.4)	—	—	—
Adolescent report						
Average achievement[b]	3.7	-0.2 *	(0.1)	—	—	—
Above average, any subject (%)	83.3	-1.5	(7.0)	—	—	—
Below average, any subject (%)	69.8	13.8 *	(7.6)	—	—	—
Dropped out of school (%)	9.4	0.8	(4.2)	23.6	3.0	(4.2)
Completed 12th grade (%)	—	—	—	37.4	2.1	(4.7)
Attending college (%)	1.4	1.0	(2.2)	9.1	2.3	(2.9)
Behaviour and emotional well-being						
Parental report						
School behaviour problems[c]	1.4	-0.2	(0.1)	—	—	—
Adolescent report						
Frequency of delinquent activity[d]	1.3	0.1	(0.1)	—	—	—
Any smoking (%)	38.6	-5.2	(7.9)	—	—	—
Drinks once a week or more (%)	11.4	11.5 *	(6.2)	—	—	—
Any drug use (%)	31.5	5.7	(7.6)	—	—	—
Health						
Average health[e]	4.1	-0.1	(0.1)	—	—	—
Any long-term problems (%)	46.9	3.1	(7.7)	—	—	—
Work and school (%)						
Currently working	39.7	9.1	(7.9)	37.4	2.4	(4.6)
Working and in school	32.9	5.5	(7.7)	10.7	2.4	(3.1)
Working and not in school	6.8	3.6	(4.5)	26.7	-0.1	(4.2)
Working full time	—	—	—	21.5	-4.1	(3.7)
Working part time	—	—	—	15.6	6.3 *	(3.7)
Working more than 20 hours per week	13.2	9.8	(6.4)	—	—	—
Fertility and police involvement (%)						
Ever had a baby	—	—	—	11.5	1.4	(3.1)
Ever been arrested	—	—	—	16.5	1.0	(3.6)
Sample size	96	204		209	456	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 12, 14, or 15 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[c] Parents of children were asked how often in the past school year they were contacted by the school about their child's problem behaviour in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[d] Frequency of delinquent activity is rated on a scale from 1 (never) to 4 (five or more times).

[e] Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Table D.6: SSP Impacts on Child Outcomes at the 36-Month and 54-Month Follow-Ups, for Young Adolescents, New Brunswick

Outcome	36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Academic functioning						
Parental report						
Average achievement[b]	3.3	0.0	(0.2)	—	—	—
Above average, any subject (%)	76.9	-1.9	(9.2)	—	—	—
Below average, any subject (%)	30.0	12.4	(13.9)	—	—	—
Adolescent report						
Average achievement[b]	3.5	-0.1	(0.1)	—	—	—
Above average, any subject (%)	90.6	-10.6	(6.6)	—	—	—
Below average, any subject (%)	79.6	7.9	(6.8)	—	—	—
Dropped out of school (%)	11.3	4.3	(4.6)	34.4	3.5	(4.8)
Completed 12th grade (%)	—	—	—	24.5	1.2	(4.4)
Attending college (%)	1.6	-1.6	(1.4)	8.1	-1.1	(2.6)
Behaviour and emotional well-being						
Parental report						
School behaviour problems[c]	1.4	0.1	(0.1)	—	—	—
Adolescent report						
Frequency of delinquent activity[d]	1.3	0.1	(0.1)	—	—	—
Any smoking (%)	39.3	11.8	(8.4)	—	—	—
Drinks once a week or more (%)	4.8	8.4 *	(4.9)	—	—	—
Any drug use (%)	15.9	5.1	(6.5)	—	—	—
Health						
Average health[e]	3.8	0.4 **	(0.2)	—	—	—
Any long-term problems (%)	30.0	13.2	(13.6)	—	—	—
Work and school (%)						
Currently working	33.3	-0.8	(7.8)	30.3	-0.7	(4.6)
Working and in school	28.6	-3.0	(7.4)	12.3	-1.8	(3.2)
Working and not in school	4.8	2.2	(4.0)	17.9	1.1	(3.9)
Working full time	—	—	—	8.8	4.6	(3.1)
Working part time	—	—	—	21.1	-4.9	(3.9)
Working more than 20 hours per week	7.1	10.1 *	(5.9)	—	—	—
Fertility and police involvement (%)						
Ever had a baby	—	—	—	16.8	3.2	(3.8)
Ever been arrested	—	—	—	22.8	-0.6	(4.2)
Sample size	106	228		197	411	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 13, 14, or 15 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] Average achievement is rated on a scale of 1 ("not well at all") to 5 ("very well").

[c] Parents of children were asked how often in the past school year they were contacted by the school about their child's behaviour problems in school. Responses range from 1 (never contacted or contacted once) to 3 (contacted four or more times).

[d] Frequency of delinquent activity is rated on a scale from 1 (never) to 4 (five or more times).

[e] Average health is rated on a scale from 1 to 5, with 5 indicating excellent general health.

Table D.7: SSP Impacts on Child Outcomes at the 54-Month Follow-Up, for Older Adolescents, British Columbia

Outcome	Program Group	Control Group	Difference (Impact)	Standard Error
Academic functioning (%)				
Dropped out of school	29.1	29.5	-0.4	(6.2)
Completed 12th grade	59.5	59.0	0.4	(6.7)
Attending college	17.2	12.8	4.4	(4.6)
Work and school (%)				
Currently working	58.7	59.1	-0.5	(6.4)
Working and in school	16.5	16.5	0.0	(4.9)
Working and not in school	42.1	42.6	-0.5	(6.5)
Working full time	34.5	41.6	-7.1	(6.4)
Working part time	23.5	16.8	6.7	(5.3)
Fertility and police involvement (%)				
Ever had a baby	19.0	13.7	5.3	(4.8)
Ever been arrested	17.4	10.3	7.0	(4.5)
Sample size	125	119		

Sources: Calculations from 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 16 or 17 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

Table D.8: SSP Impacts on Child Outcomes at the 54-Month Follow-Up, for Older Adolescents, New Brunswick

Outcome	Program Group	Control Group	Difference (Impact)	Standard Error
Academic functioning (%)				
Dropped out of school	38.7	29.2	9.5	(6.1)
Completed 12th grade	58.1	66.7	-8.6	(6.2)
Attending college	10.9	10.2	0.7	(3.8)
Work and school (%)				
Currently working	51.2	58.3	-7.1	(6.3)
Working and in school	9.6	5.5	4.1	(3.3)
Working and not in school	41.6	52.8	-11.2 *	(6.3)
Working full time	38.7	40.0	-1.3	(6.2)
Working part time	12.1	17.6	-5.5	(4.5)
Fertility and police involvement (%)				
Ever had a baby	35.9	22.2	13.7 **	(5.6)
Ever been arrested	16.9	25.0	-8.1	(5.1)
Sample size	132	128		

Sources: Calculations from 54-month follow-up survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 16 or 17 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

Table D.9: SSP Impacts on Child Care Use at the 36-Month and 54-Month Follow-Ups, for Families With Infants/Toddlers, British Columbia

Outcome	36-Month Follow-Up Control Group	36-Month Follow-Up Difference [a] (Impact)	36-Month Follow-Up Standard Error	54-Month Follow-Up Control Group	54-Month Follow-Up Difference [a] (Impact)	54-Month Follow-Up Standard Error
Type of child care used (%)						
Any type of care	54.6	5.0	(5.4)	45.1	-0.8	(5.3)
Formal care	27.0	4.4	(5.0)	23.4	-0.1	(4.5)
Informal care	34.4	4.0	(5.3)	26.9	-1.9	(4.7)
Relative care	22.7	-3.5	(4.5)	16.0	-3.5	(3.7)
Non-relative care	19.0	4.8	(4.5)	14.3	2.2	(3.9)
Extent of child care use						
Number of different types of child care used	0.7	0.0	(0.1)	0.6	0.0	(0.1)
Average number of hours per week in past month	15.9	1.2	(2.6)	10.1	-1.7	(2.1)
Stability and quality of child care (%)						
Changed child care arrangement						
two or more times in past six months	1.2	4.0 **	(1.9)	2.8	-1.7	(1.5)
Any reservations about main child care arrangement	—	—	—	8.0	-1.7	(2.8)
Any problems with care in past six months	24.9	4.2	(4.6)	39.8	-0.3	(5.4)
Sample size	185	371		180	358	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 1 or 2 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

Results are shown for children who were 1 or 2 years old at random assignment.

[a]The sample size in this column is the sum of the program and control group sample sizes.

Table D.10: SSP Impacts on Child Care Use at the 36-Month and 54-Month Follow-Ups, for Families With Infants/Toddlers, New Brunswick

Outcome	36-Month Follow-Up Control Group	36-Month Follow-Up Difference [a] (Impact)	36-Month Follow-Up Standard Error	54-Month Follow-Up Control Group	54-Month Follow-Up Difference [a] (Impact)	54-Month Follow-Up Standard Error
Type of child care used (%)						
Any type of care	51.3	10.9 *	(5.7)	53.5	6.0	(5.7)
Formal care	26.6	1.8	(5.1)	15.1	3.8	(4.3)
Informal care	35.4	11.2 **	(5.6)	45.3	0.9	(5.8)
Relative care	25.3	4.4	(5.1)	27.0	-0.5	(5.1)
Non-relative care	20.3	5.4	(4.8)	24.5	1.3	(5.0)
Extent of child care use						
Number of different types of child care used	0.7	0.2 *	(0.1)	0.8	0.0	(0.1)
Average number of hours per week in past month	12.0	7.2 **	(3.0)	11.6	-1.2	(2.3)
Stability and quality of child care (%)						
Changed child care arrangement						
two or more times in past six months	5.1	-1.7	(2.3)	3.1	-1.7	(1.7)
Any reservations about main child care arrangement	—	—	—	3.8	1.9	(2.4)
Any problems with care in past six months	22.4	3.4	(4.8)	44.9	8.6	(5.8)
Sample size	165	316		163	308	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 1 or 2 years old at random assignment.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a]The sample size in this column is the sum of the program and control group sample sizes.

Table D.11: SSP Impacts on Child Care Use at the 36-Month and 54-Month Follow-Ups, for Families With Preschoolers, British Columbia

Outcome	36-Month Follow-Up Control Group	36-Month Follow-Up Difference [a] (Impact)	36-Month Follow-Up Standard Error	54-Month Follow-Up Control Group	54-Month Follow-Up Difference [a] (Impact)	54-Month Follow-Up Standard Error
Type of child care used (%)						
Any type of care	47.4	3.2	(5.6)	34.6	11.2 **	(5.4)
Formal care	23.1	2.5	(4.8)	11.1	7.0 *	(3.9)
Informal care	31.4	2.7	(5.3)	29.0	4.1	(5.1)
Relative care	17.9	2.8	(4.4)	13.0	6.3	(4.1)
Non-relative care	20.5	0.8	(4.6)	21.0	-3.5	(4.4)
Any weekly after-school activity	95.7	3.1 *	(1.8)	—	—	—
Extent of child care use						
Number of different types of child care used	0.7	0.0	(0.1)	0.5	0.1	(0.1)
Average number of hours per week in past month	8.9	0.6	(1.9)	5.8	2.0	(1.9)
Stability and quality of child care (%)						
Changed child care arrangement						
two or more times in past six months	1.9	3.6 *	(2.1)	1.2	0.5	(1.3)
Any reservations about main child care arrangement	—	—	—	7.4	-2.0	(2.7)
Any problems with care in past six months	20.6	8.5 *	(4.6)	31.1	10.4 *	(5.3)
Sample size	170	352		166	337	

Sources: Calculations from the 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 3 or 4 years old at random assignment.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]The sample size in this column is the sum of the program and control group sample sizes.

Table D.12: SSP Impacts on Child Care Use at the 36-Month and 54-Month Follow-Ups, for Families With Preschoolers, New Brunswick

Outcome	36-Month Follow-Up Control Group	36-Month Follow-Up Difference [a] (Impact)	36-Month Follow-Up Standard Error	54-Month Follow-Up Control Group	54-Month Follow-Up Difference [a] (Impact)	54-Month Follow-Up Standard Error
Type of child care used (%)						
Any type of care	41.7	14.6 **	(6.0)	50.8	-1.1	(6.2)
Formal care	17.4	-2.1	(4.5)	12.7	-0.6	(4.0)
Informal care	32.6	14.6 **	(5.9)	41.3	1.3	(6.1)
Relative care	18.9	6.8	(5.0)	20.6	5.6	(5.2)
Non-relative care	20.5	10.1 *	(5.3)	26.2	-2.8	(5.3)
Any weekly after-school activity	96.2	-0.2	(2.0)	—	—	—
Extent of child care use						
Number of different types of child care used	0.6	0.2 *	(0.1)	0.7	0.0	(0.1)
Average number of hours per week in past month	7.9	6.7 ***	(2.5)	13.5	-2.9	(3.0)
Stability and quality of child care (%)						
Changed child care arrangement						
two or more times in past six months	2.3	3.3	(2.4)	1.5	1.2	(1.8)
Any reservations about main child care arrangement	—	—	—	4.0	2.4	(2.7)
Any problems with care in past six months	15.3	6.8	(4.6)	45.6	-1.8	(6.2)
Sample size	137	286		130	274	

Sources: Calculations from the 36-month and 54-month survey data.

Notes: Only children who were in the home at random assignment were analyzed. Results are shown for children who were 3 or 4 years old at random assignment.
Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]The sample size in this column is the sum of the program and control group sample sizes.

Table D.13: SSP Impacts on Maternal Well-Being at the 36-Month and 54-Month Follow-Ups, British Columbia

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Depression scale[b]	8.2	-0.4	(0.4)	8.0	0.1	(0.3)
At risk for depression[c] (%)	39.3	0.6	(2.8)	37.5	1.0	(1.9)
Self-efficacy[d]	10.6	0.0	(0.1)	10.9	-0.1	(0.1)
Parenting problems[e]	2.2	-0.1 **	(0.1)	—	—	—
Sample size	1,135	2,313		1,231	2,510	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] This scale, using a subset of items from the Center for Epidemiological Studies–Depression (CES-D) scale, ranges from 0 to 33, with higher scores indicating greater depression.

[c] Parents with depression scale scores greater or equal to 9 were scored as being at risk for depression.

[d] This scale ranges from 4 to 16, with higher scores indicating a higher degree of efficacy.

[e] Parenting problems is rated on a scale from 1 (not difficult) to 5 (very difficult).

Table D.14: SSP Impacts on Maternal Well-Being at the 36-Month and 54-Month Follow-Ups, New Brunswick

	36-Month Follow-Up			54-Month Follow-Up		
Outcome	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Depression scale[b]	7.9	0.1	(0.3)	8.6	-0.1	(0.3)
At risk for depression[c] (%)	37.9	3.4	(2.5)	39.3	-0.4	(2.0)
Self-efficacy[d]	10.4	0.2 **	(0.1)	10.7	0.1	(0.1)
Parenting problems[e]	2.0	0.0	(0.1)	—	—	—
Sample size	1,093	2,202		1,130	2,284	

Sources: Calculations from 36-month and 54-month survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] This scale, using a subset of items from the Center for Epidemiological Studies–Depression (CES-D) scale, ranges from 0 to 33, with higher scores indicating greater depression.

[c] Parents with depression scale scores greater or equal to 9 were scored as being at risk for depression.

[d] This scale ranges from 4 to 16, with higher scores indicating a higher degree of efficacy.

[e] Parenting problems is rated on a scale from 1 (not difficult) to 5 (very difficult).

Table D.15: SSP Impacts on Marriage, Household Composition, and Fertility at the 18-Month, 36-Month, and 54-Month Follow-Ups, British Columbia

Outcome	18-Month Follow-Up			36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Marital status (%)									
Ever married or in common-law relationship in last 18 months	8.5	-2.4 **	(1.0)	12.0	-2.8 **	(1.2)	20.2	-1.6	(1.6)
Ever married	6.1	-1.7 *	(0.9)	8.3	-1.0	(1.1)	13.3	-1.9	(1.3)
Ever common-law	2.5	-0.9	(0.6)	3.8	-1.6 **	(0.7)	7.3	0.5	(1.1)
Household composition (%)									
Lives with no children	18.6	2.2	(1.6)	18.8	1.4	(1.6)	14.2	1.4	(1.4)
Lives alone with children	57.1	0.1	(2.0)	53.1	-0.7	(2.0)	54.4	-0.3	(2.0)
Lives with children and spouse only	7.2	-2.7 ***	(0.9)	11.4	-2.7 **	(1.2)	13.3	-1.1	(1.3)
Lives with children and parents/parents-in-law only	1.9	1.1 *	(0.6)	1.7	0.3	(0.5)	2.0	0.2	(0.6)
Lives with children and another adult	15.1	-0.7	(1.4)	14.7	0.9	(1.4)	16.0	-0.2	(1.5)
Fertility (%)									
Any new children in family in last 18 months	5.5	-0.9	(0.9)	6.2	-0.2	(0.9)	4.7	0.4	(0.9)
Low birth weight[b]	—	—	—	6.1	-0.9	(3.2)	7.7	-4.9	(3.8)
Sample size	1,244	2,538		1,244	2,538		1,244	2,538	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels of significance are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] This measure is for children born in the 18 months prior to follow-up. At the 36-month follow-up, this measure is for children born within the last 24 months.

Table D.16: SSP Impacts on Marriage, Household Composition, and Fertility at the 18-Month, 36-Month, and 54-Month Follow-Ups, New Brunswick

Outcome	18-Month Follow-Up			36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Marital status (%)									
Ever married or in common-law relationship in last 18 months	11.0	3.3 **	(1.4)	17.3	3.8 **	(1.6)	25.1	2.5	(1.8)
Ever married	5.4	1.4	(1.0)	8.8	1.1	(1.2)	12.5	1.3	(1.4)
Ever common-law	5.7	2.0 *	(1.0)	9.4	2.5 *	(1.3)	13.9	1.7	(1.5)
Household composition (%)									
Lives with no children	11.5	1.1	(1.4)	19.6	-2.0	(1.6)	17.5	-0.2	(1.6)
Lives alone with children	62.3	-3.2	(2.0)	50.3	-1.7	(2.1)	51.7	-2.8	(2.1)
Lives with children and spouse only	8.9	3.0 **	(1.3)	14.0	0.6	(1.5)	17.6	0.6	(1.6)
Lives with children and parents/parents-in-law only	3.7	0.0	(0.8)	2.7	0.0	(0.7)	2.6	-0.2	(0.7)
Lives with children and another adult	13.7	-0.9	(1.4)	13.4	0.8	(1.4)	10.5	2.6 *	(1.3)
Fertility (%)									
Any new children in family in last 18 months	6.3	-0.4	(1.0)	7.3	-1.3	(1.0)	5.4	-1.0	(0.9)
Low birth weight [b]	—	—	—	6.0	2.4	(3.4)	2.8	3.6	(3.6)
Sample size	1,148	2,314		1,148	2,314		1,148	2,314	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Standard errors were adjusted to account for shared variance between siblings.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] This measure is for children born in the 18 months prior to follow-up. At the 36-month follow-up, this measure is for children born within the last 24 months.

Table D.17: SSP Impacts on Housing Arrangements, Mobility, and Quality, at the 18-Month, 36-Month, and 54-Month Follow-Ups, British Columbia

Outcome	18-Month Follow-Up			36-Month Follow-Up			54-Month Follow-Up		
	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error	Control Group	Difference [a] (Impact)	Standard Error
Housing arrangements (%)									
Owns home	5.0	0.0	(0.9)	8.1	-0.1	(1.1)	10.0	0.5	(1.2)
Rents home	89.5	-1.5	(1.3)	82.1	0.0	(1.5)	83.7	-0.8	(1.5)
Shares rent with friends or family	—	—	—	—	—	—	3.0	0.4	(0.7)
Lives with friends or family and does not pay rent	0.3	0.0	(0.2)	1.1	-0.2	(0.4)	2.7	-0.6	(0.6)
Lives in a group shelter	0.2	0.0	(0.2)	0.1	0.2	(0.2)	0.1	0.0	(0.1)
Other housing arrangement	—	—	—	—	—	—	0.2	0.5 **	(0.3)
Housing mobility (%)									
Ever moved in last 18 months	53.9	0.3	(2.0)	49.0	-1.1	(2.0)	44.0	-1.0	(2.0)
Moved two or more times in last 18 months	19.0	-1.5	(1.5)	19.5	-0.1	(1.6)	16.8	-1.0	(1.5)
Housing and neighbourhood quality									
Number of rooms per person	1.7	0.0	(0.0)	1.8	0.0	(0.0)	1.9	0.0	(0.0)
Neighbourhood quality[b]	2.7	0.0	(0.0)	2.6	0.0	(0.0)	2.6	0.0	(0.0)
High neighbourhood quality (%)	41.7	0.1	(2.0)	42.2	0.8	(2.0)	46.9	1.4	(2.0)
Satisfaction with housing[c]	—	—	—	—	—	—	2.0	0.0	(0.0)
High satisfaction with housing (%)	—	—	—	—	—	—	79.6	2.6	(1.6)
Sample size	1,244	2,538		1,244	2,538		1,244	2,538	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a]The sample size in this column is the sum of the program and control group sample sizes.

[b]Neighbourhood quality is rated on a scale from 1 to 5 with high scores indicating higher quality neighbourhoods.

[c]Satisfaction with housing is rated on a scale from 1 to 4, with high scores indicating higher quality housing.

Table D.18: SSP Impacts on Housing Arrangements, Mobility, and Quality at the 18-Month, 36-Month, and 54-Month Follow-Ups, New Brunswick

Outcome	18-Month Follow-Up Control Group	18-Month Follow-Up Difference (Impact) [a]	18-Month Follow-Up Standard Error	36-Month Follow-Up Control Group	36-Month Follow-Up Difference (Impact) [a]	36-Month Follow-Up Standard Error	54-Month Follow-Up Control Group	54-Month Follow-Up Difference (Impact) [a]	54-Month Follow-Up Standard Error
Housing arrangements (%)									
Owns home	13.0	-1.9	(1.4)	16.8	-1.5	(1.5)	21.8	-1.4	(1.7)
Rents home	79.2	2.3	(1.7)	73.9	1.9	(1.8)	72.7	2.1	(1.8)
Shares rent with friends or family	—	—	—	—	—	—	2.2	-1.0 *	(0.5)
Lives with friends or family and does not pay rent	3.3	-0.5	(0.7)	4.2	-1.1	(0.8)	2.4	0.7	(0.7)
Lives in a group shelter	1.3	-0.5	(0.4)	0.7	0.3	(0.4)	0.1	-0.1	(0.1)
Other housing arrangement	—	—	—	—	—	—	0.8	-0.3	(0.3)
Housing mobility (%)									
Ever moved in last 18 months	41.6	4.7 **	(2.1)	40.8	6.7 ***	(2.1)	35.7	1.9	(2.0)
Moved two or more times in last 18 months	15.1	-0.1	(1.5)	16.1	3.0 *	(1.6)	11.0	1.2	(1.3)
Housing and neighbourhood quality									
Number of rooms per person	1.8	0.0	(0.0)	1.9	0.0	(0.0)	2.0	0.0	(0.0)
Neighbourhood quality [b]	2.6	-0.1	(0.1)	2.5	0.0	(0.1)	2.4	0.0	(0.1)
High neighbourhood quality (%)	45.3	1.9	(2.1)	50.7	-1.2	(2.1)	54.3	-0.2	(2.1)
Satisfaction with housing [c]	—	—	—	—	—	—	1.9	0.0	(0.0)
High satisfaction with housing (%)	—	—	—	—	—	—	82.9	0.6	(1.6)
Sample size	1,148	2,314		1,148	2,314		1,148	2,314	

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

Sample sizes may vary for individual items because of missing values.

[a] The sample size in this column is the sum of the program and control group sample sizes.

[b] Neighbourhood quality is rated on a scale from 1 to 5 with high scores indicating higher quality neighbourhoods.

[c] Satisfaction with housing is rated on a scale from 1 to 4, with high scores indicating higher quality housing.

Appendix E:
Unadjusted Results for
SSP Plus

Table E.1: Unadjusted SSP and SSP Plus Impacts on Service Receipt and Educational Pursuits

Outcome	Average Outcome Levels: SSP Plus Program Group	Average Outcome Levels: Regular SSP Program Group	Average Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services	SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone	Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services	SSP Plus vs. Regular SSP: Standard Error
Ever since random assignment (%)									
Took part in a job-search program such as a job club or job-search workshop	52.0	37.2	34.7	17.3 ***	(4.3)	2.5	(4.3)	14.7 ***	(4.3)
Took part in a life-skills program such as money management or parenting	13.3	12.0	10.8	2.5	(2.9)	1.3	(2.9)	1.3	(2.9)
Received counselling for personal problems	36.7	39.1	37.1	-0.3	(4.3)	2.1	(4.3)	-2.4	(4.3)
Participated in work-related training or education	26.2	24.4	23.5	2.7	(3.8)	0.9	(3.8)	1.8	(3.8)
Participated in NB Works	9.4	10.9	10.0	-0.6	(2.7)	0.9	(2.7)	-1.5	(2.7)
Took courses toward completion of high school diploma, college diploma, or university degree	23.8	20.2	23.1	0.7	(3.7)	-3.0	(3.7)	3.7	(3.7)
Sample size (total = 765)	256	258	251						

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

Table E.2: Unadjusted SSP and SSP Plus Impacts on Employment and Earnings

Outcome	Average Outcome Levels: SSP Plus Program Group	Average Outcome Levels: Regular SSP Program Group	Average Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services	SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone	Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services	SSP Plus vs. Regular SSP: Standard Error
Monthly full-time employment rate [a] (%)									
Year 1	22.5	20.1	12.9	9.6 ***	(2.7)	7.2 ***	(2.6)	2.4	(2.6)
Year 2	34.4	34.7	16.9	17.5 ***	(3.5)	17.8 ***	(3.5)	-0.3	(3.4)
Year 3	37.2	33.2	19.9	17.3 ***	(3.5)	13.3 ***	(3.5)	4.0	(3.5)
Year 4	40.4	31.8	26.5	13.9 ***	(3.7)	5.3	(3.7)	8.6 **	(3.7)
Year 5, Quarter 1	38.4	32.4	31.3	7.1 *	(4.1)	1.1	(4.1)	6.0	(4.0)
Year 5, Quarter 2	40.1	32.7	31.5	8.6 **	(4.1)	1.1	(4.1)	7.5 *	(4.1)
Monthly part-time employment rate (%)									
Year 1	15.4	12.2	17.7	-2.3	(2.6)	-5.4 **	(2.6)	3.1	(2.6)
Year 2	14.2	11.6	18.4	-4.2	(2.8)	-6.8 **	(2.8)	2.6	(2.7)
Year 3	12.3	12.2	18.9	-6.6 **	(2.6)	-6.7 **	(2.6)	0.1	(2.6)
Year 4	12.7	13.5	18.0	-5.2 *	(2.7)	-4.5 *	(2.7)	-0.8	(2.7)
Year 5, Quarter 1	14.1	13.7	19.4	-5.3 *	(3.1)	-5.7 *	(3.1)	0.4	(3.1)
Year 5, Quarter 2	12.4	12.8	21.5	-9.2 ***	(3.1)	-8.7 ***	(3.1)	-0.5	(3.1)
Monthly employment rate (%)									
Year 1	37.9	32.3	30.6	7.3 **	(3.5)	1.8	(3.5)	5.6	(3.5)
Year 2	48.6	46.3	35.3	13.3 ***	(3.9)	11.0 ***	(3.9)	2.3	(3.8)
Year 3	49.5	45.4	38.8	10.7 ***	(3.9)	6.6 *	(3.9)	4.2	(3.8)
Year 4	53.1	45.3	44.5	8.6 **	(3.9)	0.8	(3.9)	7.8 **	(3.9)
Year 5, Quarter 1	52.5	46.1	50.7	1.7	(4.3)	-4.6	(4.3)	6.4	(4.2)
Year 5, Quarter 2	52.5	45.5	53.1	-0.6	(4.3)	-7.5 *	(4.3)	7.0	(4.3)

(continued)

Table E.2: Unadjusted SSP and SSP Plus Impacts on Employment and Earnings (Cont'd)

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Average earnings ($)									
Year 1	2,943	2,368	2,024	919 ***	(335)	344	(335)	575 *	(332)
Year 2	4,631	4,331	3,038	1,593 ***	(466)	1,294 ***	(466)	300	(464)
Year 3	5,465	4,537	3,805	1,659 ***	(551)	732	(550)	927 *	(547)
Year 4	6,951	5,071	5,048	1,903 ***	(678)	23	(680)	1,880 ***	(671)
Year 5, Quarter 1[b]	7,082	5,548	5,907	1,175	(756)	-359	(757)	1,534 **	(749)
Year 5, Quarter 2[b]	7,286	5,574	6,222	1,063	(773)	-648	(773)	1,711 **	(763)
Sample size (total = 765)	256	258	251						

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data.

Notes: The estimates for each year, with the exception of earnings estimates, are calculated by averaging the four quarterly estimates. Average monthly earnings are calculated by dividing total yearly earnings by total number of months in which information is not missing.

Sample sizes vary for individual measures because of missing values.

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a] "Full-time employment" is defined as working 30 or more hours in at least one week during the month.

[b] Average earnings for each quarter in Year 5 are annualized by multiplying the quarterly averages of monthly earnings by 12.

Table E.3: Unadjusted SSP and SSP Plus Impacts on the Distribution of Wages, Month 52

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Hourly wage rate (% in each category)									
Not working	46.9	54.7	48.6	-1.7	(4.4)	6.0	(4.4)	-7.8 *	(4.4)
Wage unreported[a]	1.6	2.3	4.8	-3.2 **	(1.5)	-2.5 *	(1.5)	-0.8	(1.5)
Less than minimum wage[b]	6.6	7.0	7.2	-0.5	(2.3)	-0.2	(2.3)	-0.3	(2.2)
Minimum to $1.99 above minimum	18.0	19.8	20.3	-2.3	(3.5)	-0.6	(3.5)	-1.8	(3.5)
$2 or more above minimum	26.6	15.9	19.1	7.4 **	(3.6)	-3.2	(3.6)	10.7 ***	(3.5)
Sample size (total = 765)	256	258	251						

Sources: Calculations from the 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
Sample sizes may vary for individual items because of missing values.
[a]Sample members in this category were employed during the month but did not report enough information about hours worked for the question to be calculated.
[b]In New Brunswick the minimum wage was $5.50 in Month 52 for all respondents.

Table E.4: Unadjusted SSP and SSP Plus Impacts on Income Assistance and Cash Transfers

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Monthly rate of IA receipt (%)									
Year 1	80.9	83.7	90.6	-9.7 ***	(2.2)	-7.0 ***	(2.2)	-2.8	(2.2)
Year 2	54.7	61.7	75.4	-20.7 ***	(3.8)	-13.7 ***	(3.8)	-7.0	(3.7)
Year 3	48.7	57.7	69.0	-20.3 ***	(4.0)	-11.3 ***	(4.0)	-9.0	(3.9)
Year 4	43.0	57.2	60.9	-17.9 ***	(4.0)	-3.7	(4.0)	-14.2 ***	(4.0)
Year 5	41.7	53.3	54.0	-12.3 ***	(4.1)	-0.7	(4.1)	-11.6 ***	(4.0)
Year 6, Quarter 1	38.3	49.6	48.7	-10.5 **	(4.3)	0.9	(4.3)	-11.3 ***	(4.3)
Year 6, Quarter 2	38.5	47.8	45.6	-7.0	(4.3)	2.3	(4.3)	-9.3 **	(4.3)
Average IA payments ($)									
Year 1	7,032	7,289	7,653	-621 **	(244)	-364	(244)	-257	(243)
Year 2	4,863	5,390	6,409	-1,546 ***	(359)	-1,018 ***	(359)	-528	(357)
Year 3	4,337	5,155	5,968	-1,631 ***	(378)	-813 **	(377)	-818	(376)
Year 4	3,901	5,009	5,350	-1,449 ***	(382)	-341	(381)	-1,108 ***	(379)
Year 5	3,646	4,548	4,555	-910 **	(376)	-7	(375)	-903 **	(374)
Year 6, Quarter 1[a]	843	1,044	1,040	-197 **	(98)	4	(98)	-201 **	(98)
Year 6, Quarter 2[a]	852	1,024	967	-115	(99)	58	(98)	-173 *	(98)
Monthly rate of reciept of IA or SSP (%)									
Year 1	92.0	93.9	90.6	1.4	(1.6)	3.3	(1.6)	-1.9	(1.6)
Year 2	83.5	85.8	75.4	8.1 ***	(2.8)	10.3 ***	(2.8)	-2.2	(2.7)
Year 3	78.6	81.7	69.0	9.6 ***	(3.1)	12.7 ***	(3.1)	-3.1	(3.1)
Year 4	63.9	69.6	60.9	3.0	(3.5)	8.7 **	(3.5)	-5.6	(3.5)
Year 5	42.6	53.7	54.0	-11.4 ***	(4.0)	-0.3	(4.0)	-11.1 ***	(4.0)
Year 6, Quarter 1	38.3	49.6	48.7	-10.5 **	(4.3)	0.9	(4.3)	-11.3 ***	(4.3)
Year 6, Quarter 2	38.5	47.8	45.6	-7.0	(4.3)	2.3	(4.3)	-9.3 **	(4.3)

(continued)

Table E.4: Unadjusted SSP and SSP Plus Impacts on Income Assistance and Cash Transfers (Cont'd)

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Average payments from IA and SSP ($)									
Year 1	8,501	8,543	7,653	849 ***	(205)	890 ***	(205)	-41	(204)
Year 2	7,804	7,808	6,409	1,395 ***	(285)	1,400 ***	(284)	-4	(283)
Year 3	7,150	7,424	5,968	1,182 ***	(319)	1,456 ***	(319)	-274	(317)
Year 4	5,802	6,179	5,350	452	(347)	829 **	(347)	-377	(345)
Year 5	3,724	4,581	4,555	-831 **	(374)	26	(373)	-858 **	(371)
Year 6, Quarter 1[a]	843	1,044	1,040	-197 **	(98)	4	(98)	-201 **	(98)
Year 6, Quarter 2[a]	852	1,024	967	-115	(99)	58	(98)	-173 *	(98)
Sample size	256	258	251						

Sources: Calculations from income assistance (IA) administrative records and SSP's Program Management Information System payment recor

Notes: The estimates for each year are calculated by averaging the four quarterly estimates

Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.

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

Rounding may cause slight discrepancies in sums and differences.

[a]Average payments for each quarter in Year 6 are annualized by multiplying the quarterly averages of monthly earnings by 12.

Table E.5: Unadjusted SSP and SSP Plus Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 54-Month Follow-Up Interview

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Sources of individual income ($)									
Earnings	598	462	506	92	(62)	-44	(62)	136 **	(61)
SSP supplement payments	16	9	0	16 ***	(4)	9 *	(4)	7	(4)
IA payments	313	387	409	-95 ***	(33)	-22	(33)	-74 **	(33)
Other transfer payments[a]	315	256	267	48 **	(21)	-11	(20)	59 ***	(20)
Other unearned income[b]	59	44	55	4	(12)	-11	(12)	15	(12)
Total individual and family income ($)									
Total individual income	1,302	1,161	1,244	58	(53)	-83	(53)	142 ***	(52)
Total individual income net of taxes	1,237	1,111	1,183	54	(45)	-72	(46)	126 ***	(45)
Total family income[c]	1,645	1,460	1,557	88	(97)	-97	(96)	185 *	(95)
Incidence of low income (%)									
Income below the low income cut-offs[d]	78.2	81.3	79.4	-1.2	(4.0)	1.9	(4.0)	-3.2	(4.0)
Below 50% of LICOs	19.9	28.7	22.1	-2.2	(4.2)	6.6	(4.2)	-8.8 **	(4.2)
50 to 75% of LICOs	37.9	40.2	35.2	2.7	(4.8)	5.0	(4.8)	-2.3	(4.8)
75 to 100% of LICOs	20.4	12.4	22.1	-1.7	(3.8)	-9.7 **	(3.8)	7.9 **	(3.8)
Income above LICOs	21.8	18.7	20.6	1.2	(4.0)	-1.9	(4.0)	3.2	(4.0)
Sample size (total = 765)	256	258	251						

Sources: Calculations from 54-month follow-up survey data, income assistance (IA) administrative records, and payment records from the SSP Management Information System.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differences.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

[a] Includes the Child Tax Benefit, the Goods and Services Tax Credit, Employment Insurance (EI), and provincial tax credits.

[b] Includes alimony, child support, income from roomers and boarders, and other reported income.

[c] Family income is measured by the sum of the sample member's income and the labour earnings of any other members in the sample member's family.

[d] Calculated by comparing annualized family income with the low income cut-off (LICO) defined by Statistics Canada for the sample member's location and family size.

Table E.6: Unadjusted SSP and SSP Plus Impacts on Cumulative Full-Time Employment, Earnings, and IA Receipt in Months 1 to 52

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Total number of months of full-time employment	17.7	15.7	10.4	7.3 ***	(1.4)	5.3 ***	(1.4)	2.0	(1.4)
Total earnings ($)	21,956	17,583	15,403	6,554 ***	(1,865)	2,180	(1,861)	4,373 **	(1,852)
Total number of months receiving income assistance	29.0	33.4	37.8	-8.8 ***	(1.6)	-4.4 ***	(1.6)	-4.4 ***	(1.6)
Sample size (total = 765)	256	258	251						

Sources: Calculations from 18-month, 36-month, and 54-month follow-up survey data and income assistance (IA) administrative records.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

Appendix F:
SSP and SSP Plus Impacts by Quarter

Table F.1: Adjusted SSP and SSP Plus Impacts on Employment and Earnings, by Quarter

Outcome	Average Outcome Levels: SSP Plus Program Group	Average Outcome Levels: Regular SSP Program Group	Average Outcome Levels: Control Group	SSP Plus vs. Control: Impacts of Financial Incentives and Services	SSP Plus vs. Control: Standard Error	Regular SSP vs. Control: Impacts of Financial Incentives Alone	Regular SSP vs. Control: Standard Error	SSP Plus vs. Regular SSP: Added Impacts of Services	SSP Plus vs. Regular SSP: Standard Error
Full-time employment rate [a] (%)									
Quarter 1	10.5	13.0	9.5	1.1	(2.3)	3.5	(2.3)	-2.4	(2.3)
Quarter 2	18.9	17.8	10.9	8.0 ***	(2.9)	6.9 **	(2.9)	1.2	(2.9)
Quarter 3	26.6	23.5	13.4	13.2 ***	(3.2)	10.1 ***	(3.2)	3.1	(3.2)
Quarter 4	33.3	30.0	14.6	18.7 ***	(3.4)	15.4 ***	(3.4)	3.3	(3.4)
Quarter 5	33.5	33.4	16.6	16.9 ***	(3.5)	16.8 ***	(3.5)	0.1	(3.5)
Quarter 6	33.7	35.4	15.9	17.9 ***	(3.5)	19.5 ***	(3.5)	-1.6	(3.5)
Quarter 7	34.1	38.6	16.8	17.2 ***	(3.6)	21.7 ***	(3.6)	-4.5	(3.6)
Quarter 8	32.9	36.3	16.6	16.4 ***	(3.6)	19.8 ***	(3.6)	-3.4	(3.6)
Quarter 9	33.3	34.6	17.3	15.9 ***	(3.6)	17.3 ***	(3.6)	-1.4	(3.6)
Quarter 10	36.6	32.4	19.0	17.5 ***	(3.6)	13.4 ***	(3.6)	4.2	(3.6)
Quarter 11	38.4	35.5	22.0	16.4 ***	(3.7)	13.5 ***	(3.7)	2.9	(3.7)
Quarter 12	38.2	33.9	19.7	18.6 ***	(3.7)	14.2 ***	(3.7)	4.3	(3.7)
Quarter 13	38.9	31.1	22.6	16.3 ***	(3.6)	8.5 **	(3.6)	7.9 **	(3.6)
Quarter 14	40.2	33.7	24.7	15.5 ***	(3.9)	9.1 **	(3.9)	6.5 *	(3.9)
Quarter 15	41.4	34.6	27.7	13.7 ***	(3.9)	6.9 *	(3.9)	6.8 *	(3.9)
Quarter 16	40.0	31.6	27.9	12.2 ***	(3.9)	3.7	(3.8)	8.5 **	(3.9)
Quarter 17	38.0	33.2	30.9	7.1 *	(3.9)	2.3	(3.9)	4.8	(3.9)
Quarter 18	39.7	33.4	31.3	8.3 **	(4.0)	2.1	(4.0)	6.3	(4.0)
Part-time employment rate (%)									
Quarter 1	15.9	13.9	16.0	-0.1	(2.2)	-2.1	(2.2)	2.0	(2.2)
Quarter 2	16.0	11.6	16.5	-0.4	(2.5)	-4.8 *	(2.5)	4.4 *	(2.5)
Quarter 3	16.5	12.9	16.7	-0.2	(2.8)	-3.7	(2.8)	3.5	(2.8)
Quarter 4	15.7	12.4	16.9	-1.2	(2.9)	-4.5	(2.9)	3.3	(2.9)
Quarter 5	15.7	11.2	15.8	-0.1	(2.9)	-4.5	(2.9)	4.4	(2.9)
Quarter 6	14.9	11.9	18.3	-3.5	(2.9)	-6.4 **	(2.9)	3.0	(2.9)
Quarter 7	14.1	11.2	19.5	-5.4 *	(3.0)	-8.4 ***	(3.0)	3.0	(3.0)
Quarter 8	14.1	11.7	18.2	-4.1	(3.0)	-6.5 **	(3.0)	2.4	(3.0)
Quarter 9	13.1	12.0	18.5	-5.5 *	(3.0)	-6.5 **	(2.9)	1.0	(2.9)
Quarter 10	12.5	11.8	16.6	-4.1	(2.9)	-4.8	(2.9)	0.7	(2.9)
Quarter 11	12.3	12.4	18.2	-5.9 **	(3.0)	-5.8 **	(2.9)	-0.1	(2.9)
Quarter 12	12.5	12.9	21.0	-8.5 ***	(3.0)	-8.2 ***	(3.0)	-0.3	(3.0)

(continued)

Table F.1: Adjusted SSP and SSP Plus Impacts on Employment and Earnings, by Quarter (Cont'd)

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Impacts of Financial Incentives and Services	Standard Error	Impacts of Financial Incentives Alone	Standard Error	Added Impacts of Services	Standard Error
Part-time employment rate (%)									
Quarter 13	13.1	13.4	18.1	-5.0 *	(2.9)	-4.7 *	(2.9)	-0.3	(2.9)
Quarter 14	11.5	12.1	16.4	-4.9 *	(2.9)	-4.3	(2.9)	-0.6	(2.9)
Quarter 15	13.1	12.8	18.3	-5.2 *	(3.1)	-5.4 *	(3.0)	0.2	(3.0)
Quarter 16	14.4	14.7	18.9	-4.5	(3.2)	-4.2	(3.2)	-0.3	(3.2)
Quarter 17	14.4	13.6	19.2	-4.8	(3.1)	-5.6 *	(3.1)	0.8	(3.1)
Quarter 18	12.4	12.9	21.4	-9.0 ***	(3.1)	-8.5 ***	(3.1)	-0.4	(3.1)
Overall employment rate (%)									
Quarter 1	26.4	26.9	25.5	0.9	(1.9)	1.4	(1.9)	-0.5	(1.9)
Quarter 2	35.0	29.4	27.4	7.6 ***	(2.9)	2.0	(2.9)	5.6 *	(2.9)
Quarter 3	43.1	36.4	30.0	13.0 ***	(3.4)	6.4 *	(3.4)	6.6 *	(3.4)
Quarter 4	49.0	42.4	31.5	17.5 ***	(3.5)	10.9 ***	(3.5)	6.6 *	(3.5)
Quarter 5	49.2	44.6	32.4	16.8 ***	(3.6)	12.3 ***	(3.6)	4.6	(3.6)
Quarter 6	48.6	47.2	34.2	14.4 ***	(3.7)	13.1 ***	(3.7)	1.3	(3.7)
Quarter 7	48.2	49.7	36.4	11.8 ***	(3.8)	13.3 ***	(3.8)	-1.6	(3.8)
Quarter 8	47.0	48.1	34.8	12.3 ***	(3.8)	13.3 ***	(3.8)	-1.0	(3.8)
Quarter 9	46.3	46.7	35.9	10.5 ***	(3.8)	10.8 ***	(3.8)	-0.3	(3.8)
Quarter 10	49.1	44.2	35.7	13.5 ***	(3.8)	8.6 **	(3.8)	4.9	(3.8)
Quarter 11	50.7	47.9	40.2	10.5 ***	(3.9)	7.7 **	(3.9)	2.8	(3.9)
Quarter 12	50.7	46.7	40.7	10.0 **	(3.9)	6.0	(3.9)	4.0	(3.9)
Quarter 13	52.0	44.4	40.7	11.3 ***	(4.0)	3.7	(4.0)	7.6 *	(4.0)
Quarter 14	51.7	45.8	41.1	10.7 ***	(4.0)	4.8	(4.0)	5.9	(4.0)
Quarter 15	54.4	47.4	46.0	8.5 **	(4.0)	1.5	(4.0)	7.0 *	(4.0)
Quarter 16	54.5	46.3	46.8	7.7 *	(4.0)	-0.5	(4.0)	8.2 **	(4.0)
Quarter 17	52.4	46.8	50.1	2.3	(4.1)	-3.3	(4.1)	5.6	(4.1)
Quarter 18	52.1	46.2	52.7	-0.6	(4.2)	-6.5	(4.1)	5.8	(4.2)
Average earnings ($/month)									
Quarter 1	125	125	113	12	(17)	12	(17)	0	(17)
Quarter 2	194	175	139	55 **	(25)	36	(25)	19	(25)
Quarter 3	305	232	172	133 ***	(33)	60 *	(33)	74 **	(33)
Quarter 4	354	294	197	156 ***	(35)	97 ***	(35)	59 *	(35)
Quarter 5	358	320	227	131 ***	(35)	93 ***	(35)	38	(35)

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