

New Hope for Families and Children

Five-Year Results of a Program to Reduce Poverty and Reform Welfare

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Overview

The principle guiding the New Hope Project — a demonstration program that was implemented in two inner-city areas in Milwaukee from 1994 through 1998 — was that anyone who works full time should not be poor. New Hope offered low-income people who were willing to work full time several benefits, each of which was available for three years: an earnings supplement to raise their income above the poverty level; subsidized health insurance; subsidized child care; and, for people who had difficulty finding full-time work, referral to a wage-paying community service job. The program was designed to increase employment and income as well as use of health insurance and licensed child care, and it was hoped that children would be the ultimate beneficiaries of these changes.

A team of researchers at MDRC and the University of Texas at Austin is examining New Hope's effects in a large-scale random assignment study. This interim report from the study focuses on the families and children of the 745 sample members who had at least one child between the ages of 1 and 10 when they entered the study. The new findings draw on administrative records and survey data covering the period up to five years after study entry (Year 5), that is, two years after the program ended. A final report will examine New Hope's effects after eight years.

Key Findings

- **Employment and Income.** Parents in the New Hope group worked more and earned more than did parents in the control group. Although the effects diminished after Year 3, when the program ended, they did persist for some parents. The provision of community service jobs was important to increasing employment: 30 percent of program group members worked in a community service job while in New Hope. The program reduced poverty rates through Year 5.
- **Parents' Well-Being.** Although New Hope had few effects on levels of material and financial hardship, it did increase parents' instrumental and coping skills. Program group members were more aware of "helping" resources in the community, such as where to find assistance with energy costs or housing problems, and more of them knew about the Earned Income Tax Credit (EITC). They also reported better physical health and fewer signs of depression than did control group members.
- **Parenting and Children's Activities.** Although New Hope had few effects on parenting, it did increase children's time in formal center-based child care and after-school programs. Even in Year 5, after eligibility for New Hope's child care subsidies had ended, children in New Hope families spent more time than their control group counterparts in center-based child care and after-school programs and correspondingly less time in home-based and unsupervised care. New Hope also increased adolescents' participation in structured out-of-school activities, such as youth groups and clubs.
- **Children's Outcomes.** At the end of both Year 2 and Year 5, children in the New Hope group performed better than control group children on several measures of academic achievement, and their parents reported that the children got higher grades in reading and literacy skills. New Hope also improved children's positive social behavior. All these effects were more pronounced for boys than for girls.

The New Hope findings support the wisdom of recent expansions in work supports for poor families, including increases in the value of the EITC and greater eligibility for Medicaid and child care subsidies. The program's lasting effects on children also have special relevance to the redesign of the nation's income support system. Language proposed in the 2003 reauthorization of the 1996 federal welfare reform legislation would establish improving the well-being of poor children as the law's overarching purpose. The present findings show that fulfilling this purpose need not be at odds with the goal of moving parents to work.

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Preface

New Hope was an ambitious program based on two simple yet widely held principles: People who are willing to work full time should be able to do so, and they should not be poor when they do. The program was designed to improve the lives of low-income families by providing several benefits for parents who worked full time: an earnings supplement to raise their income above poverty, subsidized health insurance, and subsidized child care. The program also offered access to wage-paying community service jobs for people who could not find full-time work.

New Hope was run as a demonstration project from 1994 to 1998 in two inner-city areas in Milwaukee, Wisconsin, by the New Hope Project, Inc., a local community-based organization. The program had only four eligibility requirements: that applicants live in one of the two targeted service areas, be age 18 or older, be willing and able to work at least 30 hours per week, and have a household income at or below 150 percent of the federally defined poverty level. Participation was voluntary, and adults were eligible regardless of whether they had children and whether they were receiving public assistance.

New Hope was designed to be replicable as government policy, and one goal of the project was to provide credible information to policymakers on the effectiveness and costs of this approach. This report is one of a series examining New Hope's effects on families and children. An earlier report presented effects two years after program entry. This report presents findings after five years, or two years after program services ended, and it focuses on those adults who had children, the majority of whom were single mothers receiving public assistance when they entered the study. Applicants were assigned using a lottery-like process to New Hope or a control group, and the program's effects were estimated by comparing how the two groups fared over time.

The New Hope evaluation goes beyond economic effects to examine the program's effects on family functioning and children's well-being. As such, it is an ambitious evaluation, using diverse research methods and data and involving a collaboration among MDRC staff, New Hope's board and staff, and prominent university-based scholars. This collaboration was begun under the auspices of the MacArthur Foundation Research Network on Successful Pathways Through Middle Childhood.

The five-year story is one of lasting effects on children's environments and their well-being. At both the two-year and the five-year points, parents in New Hope were more likely than control group parents to use center-based child care. It is striking that these effects persisted through Year 5, or two years after New Hope child care subsidies had ended. New Hope also improved children's positive behavior and school performance — effects that occurred while the program operated and after it had ended. After five years, for example, New Hope children

scored higher than children in the control group on a standardized reading achievement test, and they received higher ratings from their parents on their performance in school. The effects on school performance were larger for boys than for girls, and the effects on positive behavior occurred primarily for boys.

What brought about these positive effects on children? The answer probably varies across families. First, New Hope increased work and income: Parents in the New Hope group worked more and had higher incomes than parents in the control group. Although the effects faded for the sample as a whole, they did persist through Year 5 for some families. New Hope also reduced poverty through the fifth year. Second, New Hope parents reported lower levels of depressive symptoms than control group parents after five years, and they were more aware of community resources, including the Earned Income Tax Credit (EITC). It is likely that some children benefited from their time in center-based child care and after-school programs, that others benefited from the fact that their families had higher incomes because of the earnings supplement, and that still other children benefited from some of the other positive changes in the home environment. Finally, it is possible, and even likely, that the positive effects on children at Year 5 are a result of the earlier gains, observed at Year 2, which may have set children on a permanently higher trajectory.

New Hope operated during a time when both work supports (in the form of the EITC and child care subsidies) and work mandates (in the form of welfare reform) were expanding. Within this changing context, the program still increased work and income and made families and children better off. The findings show the importance of work supports for low-income families and their children and suggest that recent policies that have increased these types of supports have been changes in the right direction.

Gordon Berlin
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The New Hope Project and this report from the evaluation benefited from an uncommon, engaged collaboration among program staff, the evaluation team — which includes MDRC staff and university researchers from various disciplines — and numerous advisors. At the New Hope Project site in Milwaukee, Executive Director Julie Kerksick provided firsthand information on the project's history and goals, explained program procedures, pushed the evaluation team to clarify its work, and provided ongoing, thoughtful reviews of the report. Tom Back, Associate Director, initiated and maintained the financial supplement system, provided data for the report, offered valuable reviews, and answered innumerable questions throughout the process. Other staff at the New Hope Project supported this research by participating in interviews and focus groups and by facilitating the exchange of information among MDRC, university researchers, and the New Hope Project. In the early stages of the project, significant assistance was provided by Sharon F. Schulz, the former Executive Director, and Don Sykes, Executive Director during the project's pilot phase.

The evaluation's funders have provided indispensable support. They are acknowledged at the front of the report.

We are deeply grateful to the people in the study sample. Whether participating in the New Hope program or as members of the control group, these Milwaukee residents went through the random assignment process, granted us access to confidential information about themselves, and participated in surveys, focus groups, individual interviews, and ongoing ethnographic research. Without them, this research would not have been possible.

The Child and Family Study was initially made possible by the MacArthur Foundation Research Network on Successful Pathways Through Middle Childhood. The network provided the opportunity to form a highly successful collaboration among researchers from different disciplines, and it provided significant funding for the project. A grant from the National Institute of Child Health and Human Development (R01 HD 36038) to the University of Texas at Austin supported the five-year follow-up study and report.

At MDRC, we thank Gordon Berlin, Judy Gueron, Virginia Knox, Tom Brock, and Pamela Morris for comments on earlier drafts of the report. We also thank members of MDRC's Income Studies Committee — Robert Solow, Henry Aaron, Rebecca Blank, Gary Burtless, David Ellwood, Ron Haskins, Mark Greenberg, and Isabel Sawhill — for providing comments on an earlier draft.

Quantitative data collection for this report was supervised by Carolyn Eldred. The two-year survey was conducted by Westat, under the direction of David Maklan and Alexa Fraser,

and the five-year survey was conducted by Survey Research Management, under the direction of Linda Kuhn. Research associates, graduate students, and staff at the University of Texas at Austin selected and prepared measures and survey forms for the in-home survey, collected the mailed teacher surveys, and analyzed data. They include David Casey, Sylvia Branca, Mi-Suk Shim, Chantelle Dowsett, Jessica Cummings, Sylvia Epps, Jill Sandidge, and Shannon Moore.

The State of Wisconsin and the County of Milwaukee provided invaluable data. We want to thank staff at the Wisconsin Department of Workforce Development, Wisconsin Department of Health and Family Services, Wisconsin Department of Revenue, and Milwaukee County Department of Human Services and well as other state, county, and city agencies, all of which provided specific information on Wisconsin and Milwaukee public assistance programs and policies. We are especially indebted to individuals in these departments who provided technical information about administrative records and data on Medicaid and Earned Income Tax Credits.

Qualitative data from an ongoing ethnography make up an integral component of the report. The New Hope Ethnographic Study uses a random sample of both New Hope and control group families from the Child and Family Study sample. The ethnography is led by Tom Weisner. Lucinda Bernheimer coordinated the ethnographic fieldwork, and Eli Lieber consulted on the fieldwork data analysis. Victor Espinosa, Christina Gibson, Eboni Howard, Katherine Magnuson, Jennifer Romich, and Devarti Syam conducted the fieldwork. Tom Weisner and Edward Lowe wrote the vignettes and Appendix B, describing the ethnographic sample and the fieldwork methods.

At MDRC, Cindy Redcross managed the quantitative data. Colleen Summo was responsible for combining and processing data from numerous sources into data files for analysis and managing these files for the researchers. Angela Estacion and Phuong Tang also aided in the processing of the data files. At Northwestern University, Lindsay Moore and Beth Clark-Kauffman assisted in the data analysis. Alethia Brown at MDRC coordinated the production of the report. Robert Weber edited the document, and Stephanie Cowell prepared it for publication.

The Authors

Summary Report

In today's labor market, many people who work do not earn enough to lift their families out of poverty. Many low-wage workers are not offered health insurance through their jobs, and many families with children face prohibitive child care costs. Policymakers have responded by implementing and expanding a series of programs designed to "make work pay." The Earned Income Tax Credit (EITC) — a wage supplement that is paid via the tax system to parents with low earnings — is one example of a policy designed to support low-income working families.

The New Hope Project is another example. Conceived by a nonprofit community-based organization, New Hope was an innovative program designed to improve the lives of low-income people who were willing to work full time, by providing several benefits: an earnings supplement to raise their income above poverty, subsidized health insurance, and subsidized child care. For people who had difficulty finding full-time work, the program offered help in obtaining a job, including referral to a wage-paying community service job when necessary. Thus, the project conditioned its benefits on full-time work, because one of its key goals was to increase employment, but it offered supports to help people meet this requirement. In the demonstration project, each of the benefits was available for three years.¹

New Hope was run in two inner-city areas in Milwaukee, Wisconsin, and had only four eligibility requirements: that applicants live in one of the two targeted service areas, be age 18 or over, be willing and able to work at least 30 hours per week, and have a household income at or below 150 percent of the federally defined poverty level. Participation was voluntary, and adults were eligible regardless of whether they had children and whether they were receiving welfare. A team of researchers at MDRC and the University of Texas at Austin is evaluating New Hope's effects. In the evaluation, applicants to the program were assigned through a lottery-like process either to New Hope or to a control group, and the program's effects were estimated by comparing how the two groups fared over time. This report focuses on those adults who had children, the majority of whom were single mothers receiving public assistance when they entered the study.

The idea for New Hope originated in the early 1990s in response to structural factors in both the labor market and the welfare system that worked against low-income families. Welfare rules — which reduced benefits nearly one dollar for every dollar increase in earnings — along with low wages in the labor market and the absence of employer-provided medical insurance meant that leaving welfare for work did not always make families better off financially and often led to the loss of health coverage. After paying for child care and other work expenses, low-

¹Parents who needed community service jobs could work in these jobs for up to 12 months.

income families were sometimes worse off, and they were usually still living below the poverty level. New Hope's underlying principles are that people who are willing to work full time should be able to do so and that they should not be poor when they do.

Each of New Hope's components is similar in some respects to features of other programs that now help poor families, such as child care assistance, subsidized health coverage, and the EITC. In fact, the program, which ran from 1994 through 1998, operated during a time in which the policy environment faced by low-income families was changing dramatically, in terms of work mandates, work supports, and work opportunities. The EITC, for example, was increased substantially during the 1990s, making it now one of the largest antipoverty programs in the country. Both Medicaid and child care assistance were expanded, and eligibility was extended to low-income families not receiving welfare. The welfare system was also beginning a major period of reform, which culminated with the 1996 legislation requiring work mandates and time limits. The State of Wisconsin was in the forefront in the effort to reform welfare and had imposed work requirements for recipients even prior to the national legislation. The state has also been in the forefront on the work supports side, providing a generous state EITC and significantly expanding funds for child care assistance and health coverage. Finally, these increases in work mandates and work supports occurred during a period of strong economic growth, when unemployment rates both nationally and in Milwaukee were low.

Within this changing context, New Hope was unique in that it offered one package — administered conveniently in one setting — containing a suite of benefits and services that parents could take up and use according to family needs and preferences. Importantly, it also had higher income thresholds than then-existing health, child care, and earnings subsidy programs.

New Hope was designed to be replicable as government policy, and one goal of the project was to provide credible information to policymakers on the effectiveness and costs of this approach. New Hope's designers expected that its combination of benefits and services would have the direct effects of increasing parents' employment and their use of health insurance and licensed child care. These effects, in turn, might influence the well-being of the program's adults and their families. It was hoped that the ultimate beneficiaries of the program would be the children, whose development might benefit from reduced poverty, changes in the home environment, and increased time in licensed child care. Thus, the evaluation set out to answer several questions: How many eligible families would make use of New Hope's benefits? Would the program increase employment and reduce poverty? Would it affect other aspects of parents' well-being and the lives of their children? Finally, would New Hope affect children's development and well-being?

The Evaluation

This report is part of a series on the New Hope Project. Early reports examined the implementation of the program and participants' use of services. The most recently published report examined the effects on parents and children two years after parents applied for the program, when the study children were 3 to 12 years old.² The current report presents results five years after application to the program, when the children were 6 to 16 years old. A subsequent report will examine the program's effects after eight years.

New Hope was evaluated using a random assignment research design. After conducting outreach in the communities to identify eligible people, the study enrolled over 1,300 low-income adults. Half the applicants were randomly assigned to a program group that was eligible to receive New Hope's benefits, and the other half were randomly assigned to a control group that was not eligible for the enhanced benefits. Because the random assignment process created two groups that closely resemble each other, comparing outcomes such as employment and income for the two groups over time gives a reliable estimate of New Hope's effects. From the total sample of 1,357 people, 745 people had at least one child between the ages of 1 and 10 at the time of enrollment. These families constitute the Child and Family Study (CFS) sample and are the focus of this report.³ Almost 90 percent of the adults in this sample were single or separated mothers with children when they entered the study, and 80 percent were receiving public assistance.

The evaluation makes use of several data sources. New Hope program data provide information on parents' use of the program's services. State administrative records provide data on employment and receipt of welfare and food stamp benefits. In-person surveys — administered to parents and children at two years and five years after random assignment — obtained information on families' receipt of New Hope benefits, parents' employment and earnings, family functioning, and parent-child relations. For up to two "focal" children in each family, the surveys also collected information from both parents and children on participation in child care and other activities as well as children's behavior and school performance.⁴ Teachers were mailed surveys asking about the children's school performance and social behavior.

In order to understand in depth the dynamics of family life, the experiences of parents and children, and the contexts in which families lived and worked, an ethnographic sample of 44 families was drawn from the CFS sample. These families — half of whom were in the New Hope group and half of whom were in the control group — were followed from the third year,

²J. M. Bos, A. C. Huston, R. Granger, G. Duncan, T. Brock, and V. McLoyd, *New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare* (New York: MDRC, 1999).

³A separate report on the total sample is forthcoming.

⁴If there were more than two children in the family between the ages of 1 and 10, two were chosen at random to be the focal children.

or the final year of the New Hope program, through the fifth year. The ethnographic data include extensive field notes as well as focused interviews covering a wide range of topics, including, for example, parents' experiences with New Hope, family routines, work experiences, family relationships, child care arrangements, and goals.

Findings

The findings show that work supports can have a range of positive effects on low-income families and their children. First, New Hope increased work and income: Parents in the New Hope group worked more and had higher incomes than parents in the control group. Although these effects on work and income faded for the sample as a whole after Year 3, when the program ended, to a remarkable extent New Hope continued to have positive effects on a wide range of other outcomes throughout the five-year follow-up. For example, New Hope participants had more stable employment, lower rates of poverty, and higher wages at the five-year point. New Hope parents also reported lower levels of depressive symptoms than control group parents after five years, and they were more aware of community resources, including the EITC. In addition to affecting parents' economic status, New Hope influenced children's environments by increasing their time in center-based child care and in other structured activities. New Hope parents were more likely than control group parents to use center-based child care — an effect that persisted through the fifth year, or two years after New Hope child care subsidies had ended. Finally, both while the program operated and at five years after study entry, New Hope improved children's positive social behavior and performance in school. New Hope children scored higher than children in the control group on a standardized reading achievement test, and they received higher ratings from their parents on their performance in reading and literacy at school. The effects on teachers' reports of school performance and positive behavior occurred primarily for boys.

Because New Hope's benefits were offered as a package, it is not possible to determine whether one particular component led to the program's positive effects on families and children. In fact, the findings suggest that New Hope had the effects it did because it offered a menu of benefits, allowing families to choose and use services according to their needs. It is likely that some children benefited from their time in center-based child care and after-school programs; others benefited from the fact that their families had higher incomes because of the earnings supplement; and still others needed the extra support of community service jobs to get them started.

The Use of New Hope's Benefits

- **The majority of families in the program group used New Hope services at some point during the three-year eligibility period, although**

few families received benefits every month. The annual cost of providing these benefits was \$5,300 per family.

The large majority (87 percent) of people in the program group received at least one New Hope benefit (earnings supplement, health insurance, or child care assistance) during the three-year period. However, in any given month, between 40 percent and 50 percent of the sample were receiving at least one type of benefit — the most common being the earnings supplement. In addition, families who did receive benefits received them for an average of 17 months out of the 36-month eligibility period. The fact that most families did not use benefits consistently is partly the result of New Hope’s design; for example, benefits were offered only to full-time workers, and the value of benefits decreased as family income increased. In addition, some families did not need particular benefits, such as low-cost health coverage, if they received Medicaid or employer-provided coverage. The use of benefits was also related to families’ circumstances. According to the ethnographic data, families were most likely to use benefits when they could strategically manage work and finances and when benefits complemented their current arrangements. Families who were struggling with health and personal problems were less likely to work full time and less likely to use benefits. The average annual cost of providing these benefits was \$5,300 per program group family, and the average family consisted of one adult and two or three children. The largest component of these costs was New Hope’s child care subsidies. Half the families who were still receiving benefits when the program ended reported being able to adjust to the loss of these benefits — in part owing to the efforts of New Hope staff, who worked to inform families of the upcoming end of benefits and to ensure that this adjustment went as smoothly as possible. However, about 20 percent of these families reported major difficulties adjusting to the loss of benefits.

- **New Hope staff services provided positive support for participants.**

Two years after random assignment, when families were still eligible for New Hope benefits, parents in the program group reported receiving higher levels of instrumental and emotional support — probably a reflection of New Hope staff services. In ethnographic and focus group interviews, parents praised the staff for respectful and helpful assistance.

- **By the fifth year, or two years after the end of eligibility for New Hope benefits, the program group and the control group received similar levels of benefits from public sources.**

Two years after they entered the program, when benefits were still available, more adults in the program group than in the control group were covered by health insurance and were receiving child care subsidies — a direct result of the program’s benefits. By the five-year point, however, or two years after New Hope ended, there were no differences between the two

groups on these outcomes. Some families in both groups were making use of the expanded eligibility for these types of work supports, particularly with respect to health coverage.

Effects on Employment and Income

- **New Hope increased employment and earnings.**

Parents in the New Hope group worked more and earned more than did those in the control group (Figure 1). For the sample as a whole, the effects occurred largely during the first three years, when the program was still operating. For some groups, however — such as Hispanic parents and parents who faced moderate barriers to employment (for example, large families, preschool-aged children) — the impacts on employment and earnings lasted throughout the five-year period. The impacts on employment and earnings, especially in the early years, would not have been as large if New Hope had not provided community service jobs to those who needed them: 30 percent of parents in the program group worked in a community service job at some point during the first three years.

- **New Hope increased stable employment and average wages.**

Parents in the New Hope program worked more consistently than did those in the control group. This increase in stable employment may have contributed to one of the program's more lasting effects: During the fifth year, the program group earned higher wages than the control group. For example, 26.6 percent of people in the program group earned more than \$11 per hour, compared with 20 percent of people in the control group.

- **New Hope had no effect on welfare receipt.**

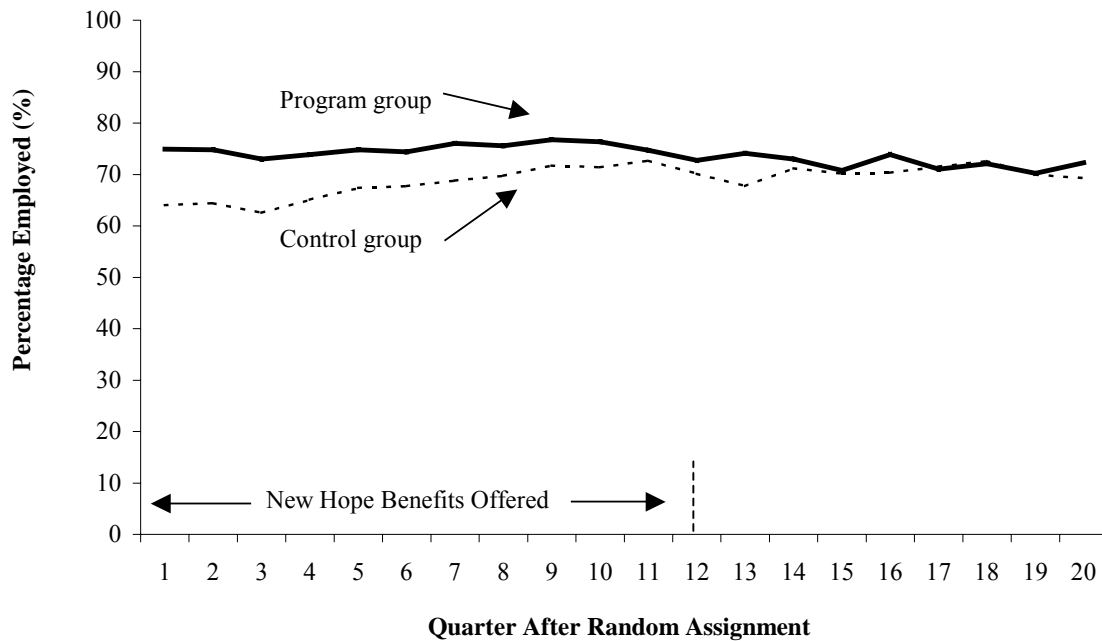
Welfare receipt fell dramatically during the five-year period for all groups in the evaluation sample, reflecting trends nationwide and in Wisconsin. However, rates of receipt were similar for the New Hope and control groups.

- **New Hope increased income and reduced poverty.**

The families in the New Hope group had higher incomes than the families in the control group, although the effects occurred mostly during the first three years. The program did continue to have large effects on income in Years 4 and 5 for some groups in the sample, such as Hispanic parents and parents who had only moderate barriers to employment. In contrast, New Hope's effects on poverty persisted throughout the five-year period for the entire sample, due in part to the fact that the effects on income — although not statistically significant in the later years — were still positive, and in part to the fact that New Hope reduced the number of families who had very low incomes. In Year 5, for example, 52 percent of the program group had incomes below the poverty line, compared with 60 percent of the control group (Figure 2).

The New Hope Project
Figure 1
Impacts on Employment

New Hope increased employment, but the effects diminished after program services ended



SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

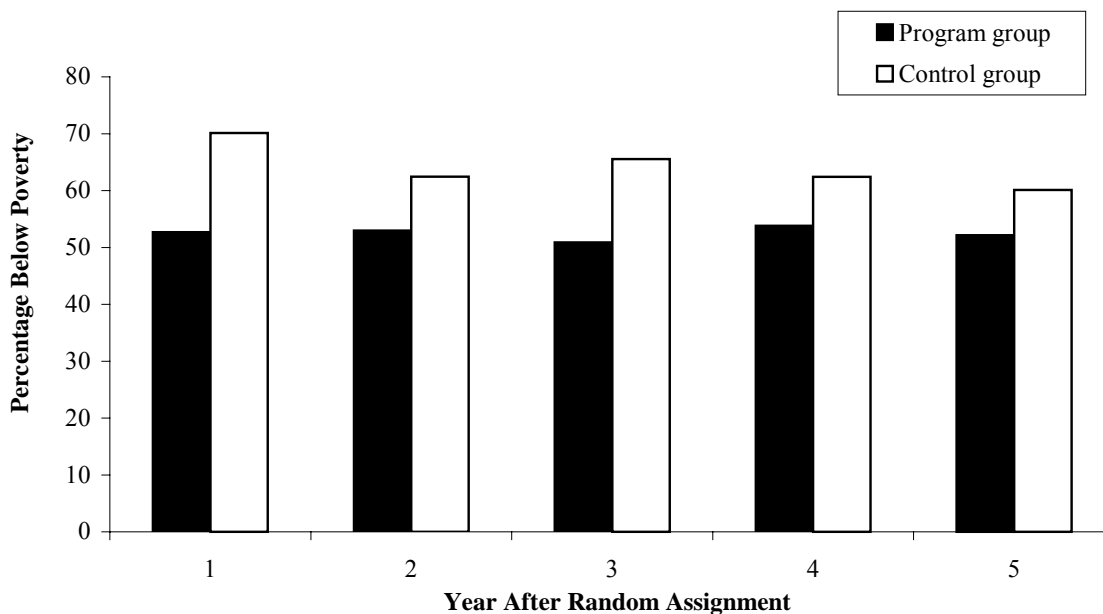
NOTE: Only for Quarters 1 through 8 and 13 are the differences between the program and control group outcomes statistically significant: Quarters 1 through 4, at the 1 percent level; Quarters 5 through 7 and 13, at the 5 percent level; and Quarter 8, at the 10 percent level.

The New Hope Project

Figure 2

Impacts on Poverty

New Hope reduced the number of families below poverty



SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

NOTES: The differences between the program and control group outcomes are statistically significant for all years: Years 1 and 3, at the 1 percent level; Years 2 and 4, at the 5 percent level; and Year 5, at the 10 percent level.

The poverty rates shown here are based on an income measure that includes earnings, EITC benefits, New Hope supplements, and public assistance as captured by administrative records. Because these rates do not include other sources of household income, they are not comparable to the official poverty rate.

Effects on Families' Well-Being

- **New Hope had few effects on material well-being.**

Although New Hope did reduce the number of families in poverty, at both the two-year and the five-year points, the program and control groups reported similar levels of material hardship, such as food insecurity and financial worries. They also provided similar ratings of the quality of their housing and neighborhoods. (Table 1 presents selected effects on parents' well-being.)

- **Yet the program did have some positive effects on other aspects of parents' well-being and on their instrumental and coping skills.**

Parents in the New Hope group were more aware of available "helping" resources in the community, such as where to find assistance with energy costs or housing problems. More of them also knew about the EITC, an important source of support for low-income workers. Ethnographic data suggest that a significant number of families intentionally used the EITC as a savings plan for making major purchases, reducing debt, and stabilizing rent and other payments. Parents in New Hope also reported better physical health and fewer symptoms associated with depression than did parents in the control group. At the two-year point, New Hope parents reported reduced stress, increased feelings of social support, and increased time pressure. The ethnographic study found that many parents had children with disabilities or behavioral difficulties; New Hope helped the parents achieve a difficult balance among work, services, and parenting.

Effects on Children's Environments

- **New Hope had few effects on parenting and parent-child relations.**

Overall, at the two-year and the five-year points, there were few differences between the program and control groups on several measures of parenting, such as parenting stress, parental warmth, and regularity of family routines. The New Hope parents did report fewer problems controlling their children, and parents of adolescents reported more effective management (better control and less need for punishment).

- **New Hope substantially increased children's time in formal center-based child care and in after-school programs.**

Even during the fifth year, after eligibility for New Hope's child care subsidies had ended, children in New Hope families spent more time in center-based child care and after-school programs than did children in control group families and correspondingly less time in home-based and unsupervised care, which includes self-care and care by siblings. As expected, these effects occurred only for children age 12 or younger (Figure 3). Ethnographic data indi-

The New Hope Project

Table 1

Impacts on Parents' Well-Being

New Hope had few effects on parents' well-being but did increase some of their coping skills

Outcome	Range of Outcome	Program Group	Control Group	Impact (Difference)	P-Value	Effect Size ^a
Material well-being						
Material hardship	0=no, 1= yes	0.18	0.18	-0.01	.664	-0.04
Residential well-being						
Satisfaction with housing	1=low, 4=high	2.98	3.02	-0.05	.556	-0.05
Physical well-being						
Physical health of parent	1=low, 5=high	3.53	3.35	0.18 *	.058	0.16
Coping strategies and instrumental behaviors						
Sustainability ^b	1=sort of true for you, 4=very true	3.03	2.98	0.05	.461	0.06
Awareness of helping resources	1=low, 2=high	1.98	1.88	0.09 **	.012	0.22
Psychosocial well-being						
General stress	1=none of the time, 4=almost all of the time	2.49	2.48	0.01	.855	0.02
Depression	0=low, 60=high	14.32	15.86	-1.55 *	.091	-0.14
Sample size		277	276			

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample.

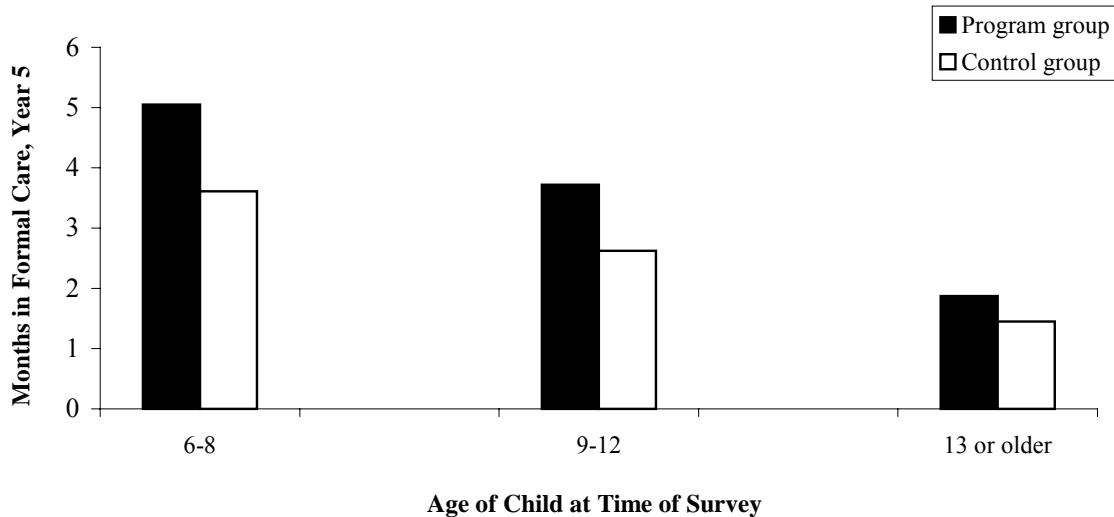
^b"Sustainability" refers to the ability to manage an everyday routine of family life, which includes juggling social and material resources to achieve one's goals and provide stability.

The New Hope Project

Figure 3

Impacts on Child Care

New Hope increased children's time in formal care through Year 5, or two years after the program ended; as expected, impacts occurred only for children age 12 or younger



SOURCE: MDRC calculations using data from the New Hope five-year survey.

NOTE: Only for the younger two age groups are the differences between the program and control group outcomes statistically significant: children ages 6 to 8, at the 5 percent level; and children ages 9 to 12, at the 10 percent level.

cate that the stability of child care arrangements was higher for New Hope families than for control group families for about a year after benefits ended. Center-based care and stable center care may have contributed to parents' stability of employment and to children's academic and social skills.

- **New Hope increased children's participation in some structured activities.**

Two years after New Hope began, children in program group families participated in more structured out-of-school activities, such as team sports and youth groups or clubs. When these same children were adolescents, they still spent more time than control group adolescents participating in such structured out-of-school activities (Table 2). Program group children of all

The New Hope Project

Table 2

Impacts on Children's Activities

New Hope increased adolescents' participation in structured activities outside school

Outcome	Program Group	Control Group	Impact (Difference)	P-Value	Effect Size ^a
Structured out-of-school activities during the school year ^b					
All children	2.42	2.33	0.10	.218	0.10
By age at survey					
6 to 8	2.16	2.17	0.00	.973	0.00
9 to 12	2.60	2.47	0.13	.261	0.13
13 to 16	2.57	2.27	0.30 **	.029	0.32

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For all children, parent reports were available for 830 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even for subgroups.

^bUsing a scale that ranged from 1 ("never") to 5 ("about every day"), parents reported on children's participation in such activities as organized sports, religious classes and events, clubs, and lessons.

ages participated in activities offered by religious organizations more than did control group children (not shown in table).

Effects on Children

- **New Hope improved children's school performance.**

At both the two-year and the five-year points, children in the New Hope group performed better than control group children on several measures of academic achievement, particularly on reading and literacy tests (Table 3). After five years, they scored higher on a standardized test of reading skills, and their parents reported that they got higher grades in reading skills. These effects were slightly more pronounced for boys than for girls. Compared with their control group counterparts, boys in New Hope also received higher ratings of academic performance from their

The New Hope Project

Table 3

Impacts on Children's Academic Achievement

New Hope improved children's school performance

Outcome	Program Group	Control Group	Impact (Difference)	P-Value	Effect Size ^a
Woodcock-Johnson test of reading achievement^b					
All children	98.05	96.01	2.05 *	.091	0.12
Boys	97.74	94.85	2.88	.106	0.18
Girls	98.71	96.94	1.78	.263	0.11
Parents' ratings of reading achievement^c					
All children	3.70	3.48	0.22 ***	.006	0.19
Boys	3.52	3.29	0.23 **	.047	0.20
Girls	3.88	3.69	0.19 *	.099	0.16
Teachers' ratings of academic achievement^d					
All children	3.21	3.15	0.06	.517	0.06
Boys	3.22	2.92	0.30 **	.035	0.30
Girls	3.19	3.36	-0.17	.171	-0.17

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Test results were available for 816 children, parent reports were available for 830 children; and teacher reports were available for 531 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even for subgroups.

^bWoodcock-Johnson scores are age-standardized with a mean of 100 and a standard deviation of 15.

^cParents' ratings ranged from 1 ("below average") to 5 ("excellent").

^dTeachers' ratings on the academic subscale of the Social Skills Rating System ranged from 1 ("lowest 10 percent of the class") to 5 ("highest 10 percent of the class") and covered children's performance in reading, math, intellectual functioning, motivation, oral communication, classroom behavior, and parental encouragement.

The New Hope Project

Table 4

Impacts on Children's Behavior

New Hope improved children's positive behavior, primarily for boys

Outcome	Program Group	Control Group	Impact (Difference)	P-Value	Effect Size ^a
Positive Behavior Scale^b					
All children					
Parent reports	3.89	3.81	0.08 *	.061	0.15
Teacher reports	3.60	3.59	0.01	.915	0.01
Boys					
Parent reports	3.83	3.76	0.07	.207	0.13
Teacher reports	3.58	3.42	0.17 *	.078	0.24
Girls					
Parent reports	3.95	3.87	0.08	.161	0.15
Teacher reports	3.60	3.77	-0.18 **	.037	-0.26

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For all children, parent reports were available for 830 children; and teacher reports were available for 531 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even for subgroups.

^bThe Positive Behavior Scale of the Social Skills Rating System includes 25 items divided into three subscales: compliance and self-control, social competence and sensitivity, and autonomy. Both parents and teachers completed these scales (1="never," 5="all of the time").

teachers and were more likely to expect to attend college at both the two-year and the five-year assessments. New Hope adolescents reported more engagement with school, feelings of efficacy, and expectations to finish college than did their control group counterparts.

- **New Hope improved children's positive social behavior, especially for boys.**

At the five-year point, parents in New Hope rated their children higher on positive social behavior — including compliance, self-control, and sensitivity — than did parents in the control group (Table 4). Boys in New Hope also received higher ratings from their teachers in terms of appropriate classroom behavior and positive social behavior, and they responded to

hypothetical scenarios of peer provocation with less hostility than did control group boys, suggesting that they were less aggressive. Girls in New Hope, in contrast, received lower ratings from their teachers on classroom and social behavior and higher ratings on problem behaviors than did their control group counterparts. There were no effects on children's reports of delinquent actions or other risky behavior for either boys or girls.

The New Hope findings support the wisdom of recent expansions in work supports for poor families, including increases in the value of the EITC and expansions in eligibility for Medicaid and child care subsidies. New Hope benefits were added to a range of work supports that already existed in Wisconsin, and it was not clear in this context whether they would have any added effect. The results of this study show that they did. In addition, the program's lasting effects on children have special relevance to the redesign of the nation's income support system for low-income families. Language proposed in the 2003 reauthorization of the 1996 Temporary Assistance for Needy Families (TANF) welfare reform legislation would establish improving the well-being of poor children as the overarching purpose of welfare reform. TANF's block grant structure gives states a lot of flexibility in how these funds are used to support poor families. The New Hope findings suggest one possible means of achieving TANF's new purpose and show that the goals of increasing family income and helping poor children need not be inconsistent with the goal of moving parents to work.

Pathways of Effects on Children

How and why did New Hope lead to lasting gains for children? Table 5 presents a summary of the program's effects. New Hope was designed to increase parents' employment and families' material resources, and it did. Although the program's impacts on employment and income faded somewhat for the sample as a whole after Year 3, New Hope participants had more stable employment, lower rates of poverty, and higher wages at the five-year point. Stable employment and modestly higher income may have increased family resources available for the children (for example, center-based child care) and may have improved parents' psychosocial well-being. Program group parents reported better physical health and slightly lower levels of depressive symptoms than control group parents, and these measures are both indicators of adult well-being. Perhaps more important, there is some evidence that program group parents were more aware of community resources and of the EITC.

Changes in parents' employment and family income are likely to affect children through their impacts on everyday experiences at home and away from home. Although there is a great deal of evidence from other research showing that income affects parents' well-being, which in turn contributes to positive parenting, in fact this study found only very modest evidence of program impacts on parenting practices.

The New Hope Project

Table 5

Summary of New Hope's Impacts

Outcome	Program Group Versus Control Group
Parents' employment and income	Modestly higher income Less poverty More stable employment Higher wages
Parents' well-being	No difference in material or financial well-being Slightly better physical health Fewer depressive symptoms Better awareness of public and community resources Better able to sustain daily routine
Parenting	Few overall effects Fewer problems with control in discipline situations <i>Boys:</i> More positive parent relations <i>Adolescents:</i> More effective child management
Child care	More center-based care More after-school programs Less home-based care Less unsupervised care Fewer changes in arrangements
Children's out-of-school activities	More participation in religious activities and organizations <i>Adolescents:</i> More participation in structured activities (for example, sports, lessons, community centers)
Children's academic achievement	Better scores on standardized reading achievement test Better reading performance (as reported by parents) <i>Boys:</i> Better academic skills (as reported by teachers)
Children's motivation and well-being	No overall impacts <i>Boys:</i> Higher educational expectations Greater school engagement <i>Adolescents:</i> Higher educational expectations Greater school engagement Increased feelings of efficacy to reach goals Greater future community involvement
Children's social behavior	More positive social behavior (as reported by parents) No difference in risky, delinquent behavior <i>Boys:</i> More positive social behavior (as reported by teachers) More appropriate classroom behavior (as reported by teachers) Less hostility in provocation situations <i>Girls:</i> Less positive social behavior (as reported by teachers) More problem behavior (as reported by teachers)
Children's health	No impacts

Parenting involves more than direct interaction with children; parents affect their children by the arrangements they make for children's experiences in school, the community, and other settings. New Hope had strong impacts on children's experiences outside the family over the entire five-year period. Even though New Hope child care subsidies ended after three years, parents continued to use more formal center-based and after-school child care during the school year and more formal care during the summer. By contrast, control group children were more likely to be unsupervised and to be cared for by a minor during the summer. New Hope children also had more stable child care arrangements than control group children. Previous research has concluded that stable, center-based child care and after-school programs contribute to children's academic performance.⁵

It is striking that parents in New Hope continued to use formal child care after their eligibility for child care benefits had ended and that older children in the program continued to participate in more structured activities. One reason may be that program group parents had gained sophistication about the public and private resources available to them, which may be an important and enduring legacy of the high-quality information and assistance they had received from New Hope project representatives. New Hope parents may have been more proactive than control group parents in using a range of programs and services, particularly for older children.

The sustained impacts of New Hope on children's academic performance may have resulted from the lasting effects of the program on children's environments at home and away from home. But the long-term gains may also have resulted from advantages accrued during the three-year benefit period that led to an upward spiral. The better school performance (as rated by teachers) that New Hope children demonstrated at the two-year point could have led to experiences of success, positive attitudes about school, and positive perceptions by teachers that were self-perpetuating. The initial treatment-induced changes in children's behavior may also have affected their home and school experiences, either by eliciting particular reactions from the people around them or by leading the children to seek out different activities, settings, and peers.

The positive effects were more pronounced for boys than for girls. Considering that, on average, boys are more "at risk" than girls, particularly in low-income families, these effects could be very important. Control group boys had lower levels of academic achievement and positive behavior than did control group girls. Ethnographic data suggest that parents were especially concerned about the dangers facing their boys and that they used the extra resources from New Hope to provide material goods and positive experiences for boys. At the same time, there were negative impacts on teachers' ratings of girls — a pattern that increased in magnitude after two years. The reasons are not clear, but these findings raise concern about girls' relations to school.

⁵NICHD Early Child Care Research Network (2000), "The Relation of Child Care to Cognitive and Language Development," *Child Development* 71: 960–980.

These results suggest some of the possible pathways by which New Hope may have affected children, but they also illustrate the difficulty of pinpointing any one factor. Although time in child care and structured activities seem to be important factors, the results as a whole suggest that there may have been multiple paths of influence. Some parents had consistently higher incomes because of New Hope; others used stable, center-based child care; and still others experienced improved psychosocial well-being. All these impacts — alone or in combination — could have improved children’s well-being. This is consistent with the fact that differences across subgroups in the program’s impacts on earnings and income, for example, did not translate into similar differences in the program’s impacts on children. In addition, the ethnographic researchers observed varying responses to the New Hope offer as well as different life trajectories across the sample. It appeared that, by offering a choice of benefits, New Hope enhanced the overall ability of some program group families to find greater stability — and thus to sustain their daily routines amid the cascade of problems that so often overwhelm working-poor families.

That there are likely multiple pathways is also suggested from the fact that the New Hope offer included a “cafeteria” of supports, which enrollees could assemble into a customized package to meet their specific needs. The core benefits included a wage supplement, access to community service jobs, and assistance with both child care and health insurance. These concrete supports were “wrapped” in a variety of less tangible supports, such as the relationship with a New Hope project representative, who worked with the enrollee in administering the core benefits, as well as workshops on practical topics and informal get-togethers with other enrollees. Enrollees could avail themselves of these “softer” benefits as they saw fit. The diversity of the backgrounds and characteristics of the New Hope population, coupled with the project’s “cafeteria-style” set of supports, meant that parents were able to use the benefits in ways that fit their overall circumstances and preferences.

Implications for Policy

- **As expected, the employment and income effects of a work support program are largest and affect the broadest range of people during the period in which the program operates.**

The original vision of New Hope was a program of continuous work supports, but funding constraints ultimately made it a test of a three-year “dose” of benefits. For the sample as a whole, New Hope’s effects on earnings and income were the largest and most compelling during Years 1 through 3. This pattern of results was also found for a wage supplement program in Canada, in which the positive impacts on employment and earnings faded after the supplement

payments ended.⁶ Impacts on employment and earnings fade over time in most programs, usually because employment rates for the control group eventually catch up with rates for the program group. Because of the strong economy during this five-year follow-up period for New Hope, people in the control group could find work fairly easily. In this case, the eight-year follow-up will be important in assessing whether the increased work experience for people in the New Hope group (which included a sizable increase in stable work) helps them weather the weaker labor market of recent years.

Would New Hope's impacts have lasted longer if its benefits had been extended by several years or even indefinitely? The program's effects on income probably would have persisted, because families could continue receiving the earnings supplement, but its effects on employment may or may not have continued. On the one hand, the pattern of employment impacts suggests that people who went to work because of the New Hope offer did so fairly quickly. On the other hand, extending the supplement beyond three years might have encouraged some New Hope parents who left work after the three-year mark to find new jobs or to find them more quickly. Also, community service jobs were important in generating the early employment effects. Offering this component after three years might have increased employment among parents who could not find full-time work.

- **Nonetheless, providing even a temporary package of work supports to low-income parents can have long-term positive effects for children.**

New Hope led to positive effects on children's school performance and behavior at the two-year and five-year points. The impacts on children in Year 5 are especially persuasive because they appeared on measures obtained from multiple sources — parents, teachers, children's reports, and standardized tests.

But are the impacts large, and will they really affect children's longer-term well-being? Although New Hope's effects on school achievement were not large in an absolute sense, they are sufficiently large to be socially important, given the long time period between the program and the measured outcomes. The average child in New Hope scored above 54 percent of the children in the control group on a standardized reading test. The long-term gain in reading and math achievement produced by New Hope was about one-third the size of the gain produced by the Abecedarian program (a much-acclaimed, very intensive and expensive five-year early intervention program implemented in the 1970s). Differences of this magnitude may lead to increased probability of completing high school and post-high school education. The fact that the

⁶C. Michalopoulos, D. Tattrie, C. Miller, P. K. Robins, P. Morris, D. Gyarmati, C. Redcross, K. Foley, and R. Ford, *Making Work Pay: Final Report on the Self-Sufficiency Project for Long-Term Welfare Recipients* (Ottawa: Social Research and Demonstration Corporation, 2002).

impacts did not disappear after the two-year mark also suggests that they represent a shift to new trajectories that could continue in future years.

New Hope's effects are consistent with findings from other programs that improved children's outcomes and also increased parents' earnings and incomes by providing wage supplements.⁷ In addition, the New Hope findings suggest that a key part of this strategy may be subsidized child care. New Hope created large effects on the use of formal center-based child care and out-of-school programs, which may have contributed to the improvements in academic success and positive social behavior for participants' children. These results suggest that both children and adolescents would benefit if these types of child care and activities were more readily available to low-income families.

New Hope was offered during a time in which both work supports and work mandates were expanding rapidly for low-income families, particularly in Wisconsin. When placed in this context, the program still encouraged more parents to go to work — increasing their earnings and incomes — and it enhanced the well-being of their children. The effects are all the more impressive, given the strong economy during the period and given the fact that New Hope was an entirely voluntary program. The findings support the wisdom of recent policies that have increased the value of the EITC and begun to extend eligibility for Medicaid and child care subsidies. Unfortunately, this trend may be reversed in the next several years, given the budgetary pressures faced by states in the early part of the decade.

The New Hope findings also suggest that the goal of helping poor families and their children need not be inconsistent with the goal of moving parents to work. In fact, New Hope adds to a growing body of evidence that work-based support programs can increase parents' work, earnings, and income and, in turn, can have beneficial effects on children — effects that translate into better performance in school. The annual cost of the program — at \$5,300 per family (not per child) — is not trivial, but neither are its benefits.

⁷P. A. Morris, A. C. Huston, G. J. Duncan, D. A. Crosby, and J. M. Bos, *How Welfare and Work Policies Affect Children: A Synthesis of Research* (New York: MDRC, 2001).

Chapter 1

The New Hope Project and Evaluation

For the past twenty years, public policies for poor families have increasingly emphasized employment while reducing “welfare,” or public assistance, to families in which parents did not work for pay. Besides affecting parents’ employment and economic well-being, such policies are also likely to affect family life and children’s development.

The New Hope Project — which was designed and implemented in Milwaukee, Wisconsin — offered an innovative and comprehensive approach to reduce poverty, reform welfare, and address the economic self-sufficiency of poor people who can work. New Hope consisted of four components: job search assistance, including referral to a wage-paying community service job when necessary; an earnings supplement to raise low-wage workers’ earned income above the poverty line; subsidized health insurance; and subsidized child care. The program was based on two principles: (1) that people who are willing to work full time should have the opportunity to do so and (2) that people who work full time should not be poor.

New Hope was designed as a demonstration for a combination of work supports that could be replicable as government policy. The project was funded by a consortium of local, state, and national foundations and other organizations interested in work-based antipoverty policy and by the State of Wisconsin and the federal government.¹

The New Hope Project was designed to provide information to policymakers. Would the program succeed in boosting employment, raising earned income, increasing economic security, reducing poverty, and lowering the use of public assistance? Would it affect family functioning and the lives of the children? Would it affect children’s long-term development? To answer these and other policy questions, evaluations of the impacts of the program on parents, families, and children were conducted two and five years after New Hope was initiated. The results of the two-year evaluation were published in an earlier report.² Individuals’ participation was limited to three years. The present report documents the program’s effects five years after participants enrolled (that is, two years after an individual parent’s eligibility for the program ended).³

¹See Appendix A for a list of organizations funding the New Hope Project.

²Bos et al., 1999.

³Readers who are primarily interested in New Hope’s history, designs, and operations should refer to the comprehensive report on those issues: *Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare* (Brock, Doolittle, Fellerath, and Wiseman, 1997). Prior publications also include *The New Hope Offer: Participants in the New Hope Demonstration Discuss Work, Family, and Self-Sufficiency* (Benoit, (continued)

This chapter introduces the New Hope program and its objectives and describes the design of the New Hope Child and Family Study (CFS).

Description of the Program

The New Hope Project was conducted in two inner-city areas in Milwaukee. The program had only four eligibility requirements: that applicants live in one of the two targeted service areas, be age 18 or over, be willing and able to work at least 30 hours per week, and have a household income at or below 150 percent of the federally defined poverty level. Participation in New Hope included the following benefits:

- **Job Access.** Participants who were unemployed or who wanted to change jobs received individualized job search assistance. If participants could not find work in the regular job market after an eight-week job search, they could apply for a community service job (CSJ) in a nonprofit organization. These opportunities were also offered to participants who were between jobs or who were employed but not working the 30-hour minimum. The CSJs paid minimum wage and might be either full time or part time.
- **Earnings Supplements.** New Hope offered monthly earnings supplements to participants who worked at least 30 hours per week but whose earnings left their household below 200 percent of the poverty line. CSJ wages and employment were counted toward the 30-hour requirement, and they also qualified a participant for the federal and Wisconsin Earned Income Tax Credits (EITCs). Combined with the EITC, New Hope's earnings supplements raised most participants' annual household income above the federal poverty threshold.⁴
- **Health Insurance.** New Hope offered a health insurance plan to participants who worked at least 30 hours per week but were not covered by employers'

1996); *Who Got New Hope?* (Wiseman, 1997); and *An Early Look at Community Service Jobs in the New Hope Demonstration* (Poglinco, Brash, and Granger, 1998).

⁴Participants' income could be below the poverty line if they worked just 30 hours, but it would rise above the line as their hours increased. The exception was for very large households: Earnings supplements were adjusted upward for household size, up to a maximum of two adults and four children. New Hope's other financial benefits — health insurance and child care — were extended to all eligible household members, regardless of household size. For more detail on how the financial benefits were calibrated, see Appendix C in Brock et al. (1997). As an example, in 1994, one wage-earner with two children would have received \$68 per month in supplement payments; in 1996, however — given the expansion of the EITC and the fact that supplement payments are paid on top of EITC benefits — this same wage-earner would have received only \$20 per month in supplement payments.

health insurance or Medicaid. Participants were required to contribute toward the health insurance premium on a sliding scale that took into account their income and household size; New Hope subsidized the remainder.

- **Child Care Assistance.** New Hope offered financial assistance to cover child care expenses for children under age 13 when the participating parent worked at least 30 hours per week. Participants were asked to pay a portion of the cost, based on their income and household size; New Hope covered the remainder. For participants to qualify for New Hope subsidies, the child care had to be provided in state-licensed or county-certified homes or child care centers.
- **Staff Support.** All participants were assigned to project representatives who could provide advice and information about employment (for example, help in finding a job), child care, or other topics (see Box 1.1). The program’s model emphasized respect and helpfulness in staff interactions with participants. Indeed, a key finding from a prior report was that many participants found the support and encouragement that they received from staff to be useful and positive.⁵

Participants in New Hope who met the 30-hour work requirement could use any number or combination of program benefits and services, depending on their needs. Eligibility for earnings supplements, health insurance, and child care assistance extended for three years after the date a participant entered the program (the date of random assignment). The time limits reflected funding constraints and were not considered integral to the program’s design. Rather, most of New Hope’s designers assumed that benefits would need to be permanently available if New Hope were to become ongoing policy.

The Conceptual Model Guiding This Evaluation

New Hope was designed to have direct effects on adult participants’ employment and use of benefits and services, including health insurance and licensed child care. These direct impacts could influence the well-being of participating adults and their families indirectly. The conceptual framework represents an evaluation model using a “theory of change” — that is, using theory and prior research to propose the intervening processes by which change can take

⁵Brock, Doolittle, Fellerath, and Wiseman, 1997.

Box 1.1

New Hope's Project Representatives Provided Crucial Practical and Emotional Help for Working-Poor Parents

A random sample of 44 families from the Child and Family Study (CFS) sample — half from the program group and half from the control group — took part in the New Hope Ethnographic Study (NHES), involving frequent interviews and observations over three years. Many New Hope participants described their positive experiences with proactive, emotionally supportive project representatives and the crucial help they received in getting practical information and assistance. In contrast, very few parents in the control group sample said similar things about the service providers that they encountered in other social agencies.

Many of New Hope's project representatives provided emotional support and encouragement to participants facing difficult situations. Frida, a single Latina mother of two children, said that she "needed a lot" and described how the project representatives gave her help. She said: "They were like a forward push for me. The best thing I received from them was their moral support."

Rose, an African-American single mother of two boys, really liked the project representatives because they gave needed advice and emotional support. Often when she was feeling down about herself and her situation, her project representative would point out the positive things that Rose had already accomplished, reminding her of her success in working and taking care of her kids. Rose said that she often felt better about herself after she talked with people at New Hope.

New Hope's project representatives also provided invaluable practical information to participating families. They informed participants about the Earned Income Tax Credit and provided advice on where to get education, skills training and employment, workshops on home purchase, and other asset development strategies. Alicia, a married Latina mother of a teenage girl, described her experience as transforming: "I was accepted in New Hope, and everything changed for me." New Hope encouraged her to go to a local technical college and study English. Before that time, she was afraid to speak it, and she felt *acomplejada* ("inferior"). She said that New Hope "built up my morale and my self-esteem." Project representatives also invited her to workshops that provided information about the program and about how to find a job in her field. According to Alicia, the most important impact of New Hope was that it improved her knowledge about community resources and how to use them successfully.

Finally — for at least some participants — the practical support of New Hope's project representatives extended to the transition out of the program after their three years of eligibility ended. Inez, a married Latina mother of two boys, was very grateful for her project representative's help in getting information about child care subsidies from the county when her eligibility for New Hope was ending: "[My representative] was the one who told me where to go. She helped me out a lot."

Although the New Hope Project and evaluation focus on the program's benefits and their impacts on employment and other outcomes, the ethnographic and implementation studies suggest that the concerned, continuous personal relationships that many clients had with project representatives were often remembered by participants as being among New Hope's most important influences on their lives.

place.⁶ Figure 1.1 summarizes the model that has guided the evaluation of New Hope's impacts on children and families:

- **The New Hope Offer.** The New Hope program offered employment services, wage supplements, health care assistance, child care assistance, staff support, and community service jobs (CSJs).
- **Employment and Earnings.** The increased use of New Hope's supports was intended to increase participants' work hours, earnings, and income and to reduce their reliance on public assistance.
- **Adults' Well-Being.** Increased employment — while perhaps stressful during some period of transition — was expected to improve adults' material and psychological well-being. Some of this improvement would occur because employment is socially desirable and unemployment and welfare are stigmatized. In addition, adults' well-being was expected to increase because of greater income and reduced poverty.⁷
- **Children's Contexts.** Changes in employment, income, and parents' well-being were likely to affect home environments and the context in which children spent their time when they were away from their parents. Changes in the number or nature of the interactions between parents and children might occur.⁸ Finally, employment, income, and the distinctiveness of the New Hope child care subsidy were all expected to affect the nature and number of child care experiences for younger children as well as children's participation in structured out-of-school activities, particularly for older children and adolescents.
- **Children's Outcomes.** Changes in the home environment and in experiences away from home could affect children's intellectual skills, psychological well-being, social skills, and health. Improvements in these areas could lead to fewer behavior problems and less deviant behavior as children move into adolescence.

⁶Fulbright-Anderson, Kubisch, and Connell, 1998; Kubisch, Weiss, Schor, and Connell, 1995.

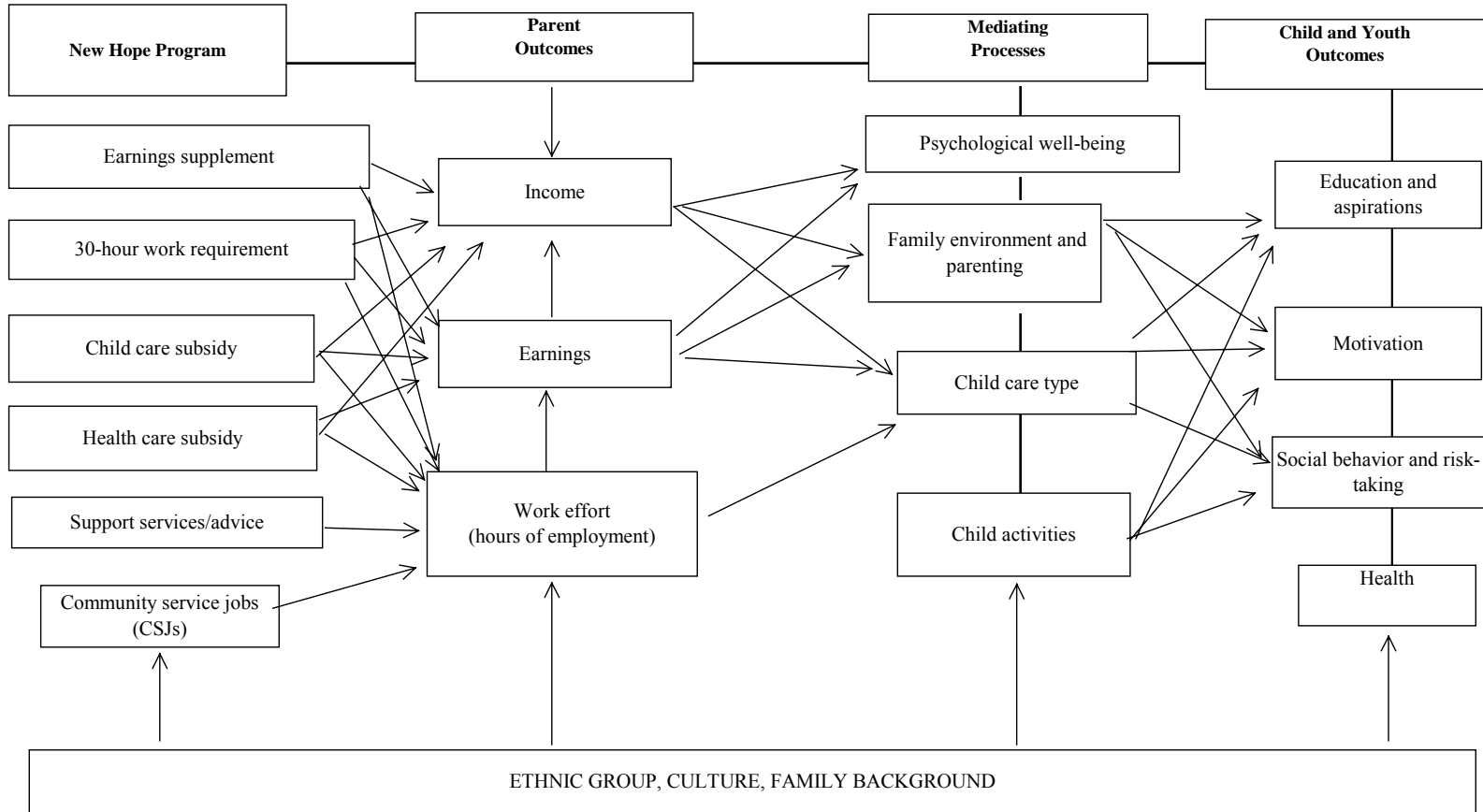
⁷Duncan, Brooks-Gunn, and Klebanov, 1994.

⁸McLoyd, Jayaratne, Ceballo, and Borquez, 1994; Conger et al., 1992; Garrett, Ng'andu, and Ferron, 1994.

The New Hope Project

Figure 1.1

Conceptual Model for the New Hope Evaluation



The Evaluation's Design, Activities, and Data Sources

Random Assignment Design

The New Hope evaluation was built around an experimental design. Applicants who met the eligibility criteria were randomly assigned either to a program group that could participate in New Hope or to a control group that could not. By comparing the outcomes of the two groups over time, it is possible to distinguish the effects specific to New Hope from changes that might have occurred for other reasons, because the random assignment process ensures that the characteristics, backgrounds, and motivation levels of program and control group members did not differ systematically at the beginning of the study. After random assignment, the only systematic difference between the program group and the control group was that the former had access to New Hope. Therefore, any differences between the adults or children in the two groups can be attributed to the New Hope intervention.

The Child and Family Study Sample

The New Hope Project enrolled 1,362 low-income adults drawn from two inner-city areas in Milwaukee. The two-year impacts of the program on this total sample are described in an earlier report.⁹ A brief report of impacts after five years will be issued separately.

The current report presents findings for a subgroup of the total sample — the Child and Family Study (CFS) sample — that was selected in order to evaluate the program's effects on children and families as well as on employment and income.¹⁰ The CFS sample includes all 745 adult sample members who had one or more children between the ages of 1 year, 0 months, and 10 years, 11 months, at the time of random assignment (55 percent of the total sample).¹¹ If a family had more than one child in that age range, two children were identified as "focal children."¹² The evaluation includes a total of 1,140 focal children; a limited amount of information was collected about other children in the family.

Random assignment of the total New Hope sample began in August 1994 and ended in December 1995. All sample members were volunteers who applied for the program; applicants

⁹Five cases were dropped from the total sample because of missing baseline data, resulting in a total sample of 1,357. For the two-year impacts of New Hope, see Bos et al. (1999).

¹⁰The earlier report also presents findings for the CFS sample.

¹¹The CFS sample excludes 67 Asian-American families — most of whom are Southeast Asian refugees — because of language barriers and because many of the measurement instruments are culturally inappropriate for them.

¹²If there were more than two eligible children, the focal children were randomly selected with the restriction that opposite-sex siblings were given preference over same-sex siblings.

were randomly assigned either to the program group or to the control group.¹³ The parents in the CFS sample were in many respects similar to those in other studies in which samples were drawn from individuals receiving welfare. When they applied for New Hope, over half were not employed, and about 80 percent were receiving Aid to Families with Dependent Children (AFDC), general assistance, food stamps, and/or Medicaid. The majority had never been married. Slightly over 10 percent were married and were living with their spouse, and almost half had three or more children. Slightly over half are African-American, and over one-quarter are Hispanic.

Data Sources

Information used in the New Hope evaluation came from five sources:

1. Information about the members of the research sample at enrollment, or “baseline,” came from an enrollment form that was completed prior to random assignment.
2. Administrative records included unemployment insurance (UI) earnings records measuring quarterly earnings and employment; public assistance benefit records documenting welfare payments, food stamps, and Medicaid benefits; tax records providing information on the receipt of Earned Income Credits (EITCs); and New Hope administrative records providing information about receipt of New Hope benefits.
3. In-person surveys with parents and children were conducted two years and five years after parents were randomly assigned to the program or control group. The survey measured receipt of non-New Hope services; many economic outcomes (for example, hours of work, hourly wages, and the type of jobs held); family functioning (including parental well-being and parent-child relations); children’s participation in child care and out-of-school activities; and children’s behavior and development.
4. For school-age children, surveys were mailed to teachers to obtain reports of children’s school performance and social behavior (both positive and negative).
5. In 1998, the research team began the New Hope Ethnographic Study (NHES) of 44 families from the CFS sample.¹⁴ The study continued for three years and includes members of both the program and the control

¹³Details of the random assignment process are presented in Bos et al. (1999).

¹⁴Weisner, Gibson, Lowe, and Romich, 2002.

groups. Figure 1.2 presents the time line for the New Hope evaluation and the timing of assessments.

Results of the Evaluation Two Years After Enrollment

New Hope was open to all adults who met three basic eligibility requirements: being age 18 or older, having an income below 150 percent of the poverty threshold, and being willing to work full time. Hence, not all participants had children. In the first evaluation of the program — conducted two years after sample members were randomly assigned — the total sample received a core survey assessing employment and economic outcomes.¹⁵ In addition, the CFS sample received measures of parental well-being and of children's experiences and developmental outcomes.

At the two-year evaluation, when focal children were between ages 3 and 12 years old, parents in the New Hope program group had significantly higher rates of employment and higher earnings than did those in the control group. CFS program group members earned \$15,305 during the two years of follow-up, compared with \$13,846 for their counterparts in the control group. Although the impacts on earnings were concentrated among the parents who had not been employed full time at baseline, the differences in impacts for this group and for the group employed full time at baseline were not statistically significant.¹⁶

There were some positive impacts on parents' psychological well-being, but not on measures of mental health. New Hope participants reported less stress, fewer financial worries, and increased feelings of agency — the belief that they could take action and achieve their goals. On a possibly negative note, parents in New Hope reported significantly more time pressures, which may have been related to their increased work efforts.

New Hope had strong effects on children's experiences outside their homes but little measured impact on the home environment or on parent-child relations. Most striking is that New Hope's child care subsidies made formal center-based and after-school child care programs more affordable and stimulated their use by program group families. Both preschool and elementary-school-aged children in New Hope families were more likely to attend child care centers and to participate in after-school programs. Older children, ages 9 to 12 years, also participated more in such structured activities as lessons, sports, clubs, and religious groups. These experiences could have contributed to school achievement and to children's social skills, and they may have provided supervision when parents were away at work.

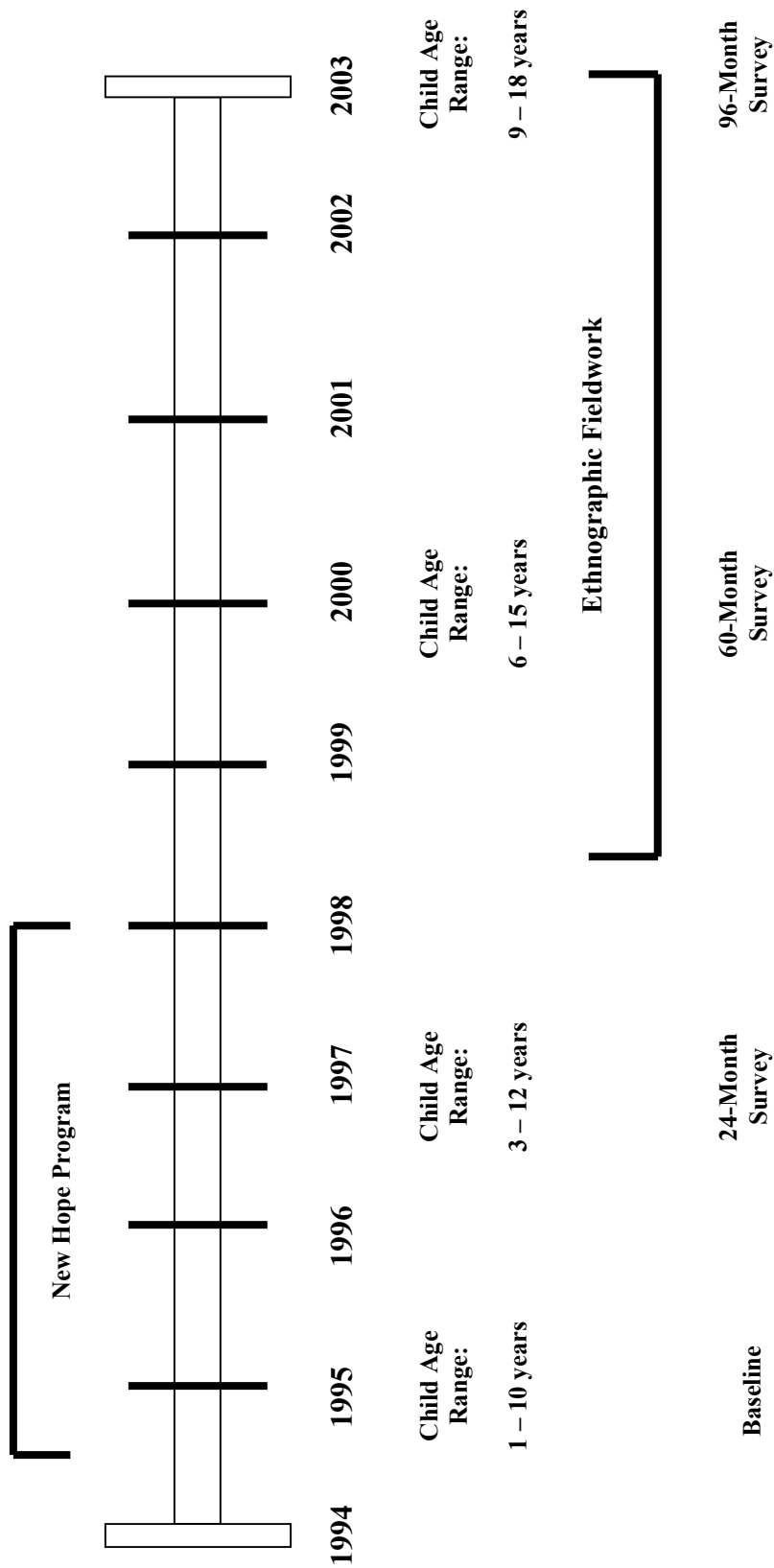
¹⁵See Bos et al. (1999) for results.

¹⁶Bos et al., 1999.

The New Hope Project

Figure 1.2

Time Line for the New Hope Evaluation



Perhaps most important, children in program group families were making better academic progress and displayed more positive social behavior than children in control group families. All these differences occurred primarily for boys; the patterns for girls were less consistent and more mixed. Teachers rated program group children of both genders higher on academic performance and positive social behavior than they rated control group children. They rated New Hope boys higher on classroom behavior (for example, study skills, ability to attend) and lower on behavior problems and need for disciplinary actions in the classroom than they rated control group boys. New Hope also had positive impacts on boys' own expectations about educational and occupational attainment.¹⁷

From a policy perspective, the impacts on boys are important because boys are more vulnerable than girls to school failure and delinquency as they reach adolescence. Several possible reasons for the greater impact on boys were suggested. New Hope boys were more likely than girls to be enrolled in after-school child care and structured activities, so more of them may have benefited from these experiences. Ethnographic interviews suggest that parents were worried about their boys' becoming involved in delinquent activity and may have invested more resources in ensuring that boys had alternatives to hanging out with unsupervised peers after school. There was not evidence that girls were assuming more household responsibilities than boys did while their mothers worked, but boys and girls may have responded differently to the role models provided by their parents. About 90 percent of the parents in the CFS sample are women; thus, girls may have used their participating parents' jobs as examples of their own future more than boys did. The realities of the low-wage employment world for women may have become apparent to children in these families.

Why New Hope Might Have Lasting Effects

New Hope's designers conceived of the program as a set of work supports that would be in place as long as individuals needed them. Although the demonstration program was not designed to evaluate the effects of time limits, it limited any individual's eligibility to three years because of financial constraints. This report presents an evaluation conducted five years after parents entered the New Hope study (that is, two years after the end of eligibility). Hence, this evaluation tests the possibility that the changes that were observed during eligibility endured after families no longer received benefits. Even though New Hope was not intended to demonstrate a time-limited policy, there are several reasons to expect that the three-year period of benefits might have had lasting effects on parents, children, and family life.

¹⁷Huston et al., 2001.

First, if parents gained job experience and confidence in their ability to earn a living, some of the employment and income impacts of New Hope might have continued after benefits were discontinued. This possibility is particularly strong, because the EITC continued to be available as an important supplement to parents' earnings and, in fact, increased in value during the period from 1995 to 2000. Evidence from the ethnographic work, for example, suggests that families choose lump sum refund payments to provide a form of savings and to purchase expensive items (cars, furniture) or to pay down debt (mortgage, credit cards). Lump sum payments from EITCs may have continued to benefit families with sufficient earnings.¹⁸ There is evidence from several policy experiments that employment programs offering earnings supplements produced improved achievement among children.¹⁹

Second, children's experiences in formal child care and structured out-of-school activities may have occurred during "sensitive developmental periods" during which experiences have formative effects that endure through later periods. For example, if formal child care provides some basic preacademic skills for preschool children, the children may enter school with some academic preparation that sets off a trajectory of success. Teachers may perceive such children as being more skilled and may provide more opportunities for learning. Organized after-school programs during the early school years may contribute to children's academic and social skills as they progress into the later school years. If structured out-of-school experiences provide supervision and social skills, then New Hope's children may continue to pursue some of the activities in which they participated during the three-year period of benefits.

Advantages that accrued during New Hope's benefit period may lead to an upward spiral in children's development. Initial experiences may change the child's behavior or capabilities; as a result, the child generates different types of input from the environment; that input, in turn, maintains or increases the behavior or skill involved. In this model, treatment-induced changes in the child's behavior "drive" the context, either by eliciting particular reactions from the people around the child or by leading the child to seek out different contexts.²⁰

Finally, the changed contexts brought about by New Hope may have continued after the program ended. Some of the effects on parents' employment, income, and family routines as well as on child care, activities, and school may have endured. Parents may have acquired skills in negotiating bureaucracies and finding community resources for their children. For example, program group families may have continued to use center-based child care in preference to home-based care, and they may have been able to find subsidized care in the community. Help from project representatives in finding job training and educational programs may have led

¹⁸Romich and Weisner, 2000.

¹⁹Morris et al., 2001.

²⁰Entwisle, Alexander, and Olson, 1997; Scarr and McCartney, 1983.

some participants to pursue additional education. These changed contexts brought about by New Hope could have maintained changes in family life and children's behavior.

New Hope and the Policy Context from 1995 to 2000

The New Hope evaluation occurred during a period of rapid changes in federal, state, and local policies affecting parents who are poor. Major events included welfare reforms that focus directly on employment as well as efforts to make low-wage work “pay” by expanding federal and state EITCs. These changes occurred during a time of exceptionally low unemployment in Milwaukee (the rate fluctuated between 5.0 percent and 3.6 percent), making it generally easier for people to get and hold jobs as employers adjusted to a tighter labor supply. Changes in the federal rules and funding for child care assistance and Medicaid were designed to decouple these programs from cash assistance — that is, to make them available to income-eligible parents who were not receiving cash assistance through welfare programs. States were given a great deal of latitude to design and implement their own welfare programs and to use welfare funds for child care and other related services.

These economic and policy changes — which affected the supports available to members of both the program and the control groups — “raised the bar” for showing the effects of New Hope by diminishing the difference between what the program offered and what was available outside New Hope. It was therefore more difficult for New Hope to create a net difference.

Changes in the Welfare System

New Hope began enrollment in 1994, and program participation continued into 1998. In 1996, the system providing cash supports to low-income parents in the United States changed dramatically with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Entitlements to Aid to Families with Dependent Children (AFDC) were ended, and a new system of Temporary Assistance for Needy Families (TANF) was introduced. One of the major goals of the law was to move families from “welfare to work,” and states were given broad latitude in setting up programs to accomplish this goal.²¹

Even before passage of the federal legislation, the State of Wisconsin was a leader in phasing out AFDC in favor of a program emphasizing employment. In 1994, Wisconsin's governor announced that AFDC would end in the state. A welfare reform known as Pay for Performance, which tied receipt of AFDC benefits to work, began in 1996. After the federal welfare reform legislation was passed in 1996, all prior welfare programs were replaced by Wisconsin Works (W-2), which was implemented statewide in 1997 and 1998. Under this program,

²¹For summary of PRWORA and its implementation, see Greenberg et al. (2002).

all recipients and applicants for TANF are required to complete Personal Responsibility Contracts and Employability Plans that specify the employment activities that will be required as a condition for receiving assistance.²²

Under W-2, an applicant for TANF who is deemed employable does not receive cash grants but does get assistance in finding a job or assistance with different types of transitional employment. Welfare recipients can “earn” their welfare grant by working in a community service job, but unlike the New Hope program, these positions do not allow people to earn wages or to qualify for EITCs. Rather, these jobs are a means to “work off” one’s welfare grant. Individuals who have barriers to employment receive cash grants (ranging from \$518 per month in 1996 to \$673 per month in 2000, with no adjustment for family size).

These policy changes had dramatic effects on Wisconsin’s caseloads and the allocation of funds. In Milwaukee, the number of people receiving AFDC dropped from over 35,000 in 1995 to 21,400 in 1997 — a decline of 41 percent — before W-2 was implemented.²³ By 2000, only 5,427 adults were receiving W-2 cash assistance, and another 3,180 were receiving W-2 case management.²⁴ Such dramatic changes in the availability of cash assistance and work requirements for all persons in the TANF system are likely to have provided strong employment incentives for New Hope’s sample members, whether in the program group or the control group.

Changes in Earnings Supplements for Working-Poor Adults

During the same period that welfare reform took place, federal and state policies increased work supports for low-income families. The goals of these policies are to “make work pay” and to provide basic supports (for example, child care assistance, medical protection) to working-poor families. Earnings supplements in the form of the federal Earned Income Tax Credit (EITC) — first established in 1975 — were increased considerably in the 1990s. During the New Hope study period, the maximum federal benefit changed from \$3,110 in 1995 to \$3,888 in 2000, and the State of Wisconsin offered a benefit that was approximately 25 percent of the federal benefit, depending on family size.

New Hope’s earnings supplement “topped up” earnings plus any federal and state EITCs. The amount of the supplement was structured to provide an incentive for increased earnings, up to a targeted annual income of either \$30,000 or 200 percent of the poverty level, whichever was higher for a given family type. All workers can apply for federal and state

²²State of Wisconsin, Department of Workforce Development, 2001.

²³Pawasarat, 2000.

²⁴State of Wisconsin, Department of Workforce Development, 2002a. The 1995 and 2000 figures are not entirely comparable because all AFDC child-only cases were transferred out of the W-2 system (Ehrle, Seedfelt, Snyder, and McMahon, 2001).

EITCs. Therefore, when the federal EITC was enhanced, the relative importance of the New Hope supplement diminished for all participants. For example, in November 1994, a single wage-earner with two children (the modal family structure of adults who enrolled in New Hope) and with gross wages of \$12,000 drew combined federal and state EITCs of \$2,856 and a New Hope supplement of \$816; in September 1997, the same earner drew EITCs of \$3,960 and no New Hope supplement. On the one hand, the changes in the EITC might have reduced the effect of the New Hope supplement on total income and work effort for people with children. On the other hand, New Hope staff regularly informed program participants about the EITCs; hence, more program group members may have filed the tax returns necessary to receive them.

Changes in Child Care Assistance for Low-Income Families

Prior to 1996, federal subsidies for child care were in four different funding streams, three of which were designated for people receiving AFDC, leaving AFDC, or in danger of entering AFDC. The fourth program was intended for low-income families regardless of welfare status.

New Hope's child care supplement was more advantageous than most other child care subsidies available to the working poor or to welfare recipients in Milwaukee. Other subsidies were not available to all eligible parents, especially if they were not on welfare, whereas New Hope's child care subsidy was available to everyone who worked full time. The subsidy phased out gradually with increased earnings, but the upper limit was set higher than most other subsidy programs, at \$2,500 per month (an annual equivalent of \$30,000) in 1994. After a small copayment, New Hope paid the market cost of any licensed or certified child care center or home care arrangement. New Hope paid providers directly and promptly, in contrast to many public systems that have long delays. New Hope project representatives provided information about child care facilities to parents who requested it. The paperwork and eligibility determination, although done monthly, were part of the overall process of certifying that the parent had worked 30 hours per week. Other subsidy programs sometimes required separate determinations of eligibility for child care assistance. Parents often needed to apply for different subsidy programs as their situation changed (for example, if they left AFDC for work or they reached a time limit for benefits related to the transition from AFDC). In addition, child care funding — particularly for working-poor people who had not been on AFDC — was not available at a level that could meet the demand. The administrative complexities and limited funding meant that many people who were eligible for child care supplements outside of New Hope did not get them.

In 1996, with the passage of federal welfare legislation, the pre-1996 federal subsidies were combined into one Child Care Development Fund.²⁵ Wisconsin took this opportunity to make several changes regarding child care funding, and the net effect may have decreased New

²⁵Fuller, Cagan, Caspary, and Gauthier, 2002; Gennetian et al., 2002b.

Hope's comparative advantage, but the income eligibility limit was still considerably higher for New Hope than for the state. Although federal law allows states to set eligibility at 85 percent of the state median income (SMI), Wisconsin set it at 53 percent. Hence, in the late 1990s, the annual income eligibility limit was \$21,996, compared with \$30,000 for New Hope.²⁶ Wisconsin significantly supplemented the federal dollars with the expressed goal of making one seamless subsidy system available to all eligible families. It also increased the maximum reimbursement rates for placements in both centers and family child care homes, but a larger copayment was required for center care than for home-based care. By the year 2000, expenditures on child care had risen to approximately \$217 million (from about \$64 million in 1996).²⁷ Given the limited funding available prior to 1997 for persons not on AFDC (or on transitional benefits), these changes probably increased the number of parents receiving a subsidy and also the level of the subsidy. On a national level, however, only 15 percent to 20 percent of federally eligible parents received subsidies,²⁸ so it is likely that many eligible working parents still had difficulty obtaining a subsidy, particularly if they were outside the welfare system.

Changes in Medical Insurance

Prior to 1996, health insurance via Medicaid was provided to all AFDC recipients and to some other low-income families. Subsequently, transitional Medicaid eligibility was available to parents leaving TANF, but federal law provided that Medicaid was not tied to cash assistance. Wisconsin introduced a second program, BadgerCare, that offers medical insurance to uninsured families who have children. Although the official income eligibility cutoff is 185 percent of poverty, most enrolled families have incomes below 150 percent of poverty.²⁹

New Hope offered its participants the same health maintenance organization (HMO) that Milwaukee County Medicaid recipients used, so there was no difference between the New Hope plan and the one available to all welfare recipients prior to 1997 and to most poor families after that. New Hope's advantage was that it provided affordable health care to people not on welfare before 1997 and was more affordable for most participants than plans provided by private employers.

As this discussion of the policy context makes clear New Hope's benefits and services, viewed individually, have features in common with other programs and public policies. If anything, this is becoming more true over time in Wisconsin. The dramatic changes in federal and state welfare, child care, and health policies over the course of the New Hope evaluation are

²⁶Information about the Wisconsin system is from Blau and Tekin (2001).

²⁷State of Wisconsin, Department of Workforce Development, 2002b.

²⁸Layzer and Collins, 2002.

²⁹Wisconsin BadgerCare Web site: <http://www.dhfs.state.wi.us/badgercare/general.htm>.

likely to have affected families in the control group as well as in the program group. Thus, the impacts of New Hope — even with its strong package of benefits and services — may be underestimated because of the effects of policy changes on all sample members. It should also be noted that New Hope was created with the intention of influencing public policy in the same areas, so that the expansion of child care subsidies and high-quality, low-cost health insurance (Family Shares and BadgerCare) were viewed as the desired outcomes. (Whatever the apparent similarities between W-2 and New Hope, Box 1.2 describes some differences in how participants experienced the two programs.)

The Organization of This Report

This report follows the model depicted in Figure 1.1. Chapter 2 provides a brief summary of New Hope’s operations. It presents the background characteristics of the research sample and compares the program and control groups’ use of benefits and services. Chapter 3 presents the program’s effects on such economic measures as employment, earnings income, and public assistance. Chapter 4 describes the effects on parents’ material and psychological well-being. In Chapter 5, impacts on contexts affecting children are presented. These include parenting and parent-child relationships, child care, and out-of-school activities. Chapter 6 presents data on how New Hope affected child outcomes, including reports from parents, teachers, and children. Chapter 7 presents conclusions about the overall impacts of New Hope and discusses their implications for public policy.

Box 1.2

Clients Find Bureaucratic Complexity and Little Support at Wisconsin Works (W-2)

The New Hope Ethnographic Study (NHES) highlights a sharp contrast between the atmosphere in the New Hope program (see Box 1.1) and the experiences that both program and control group participants had with Wisconsin Works (W-2). Almost none of the families in the ethnographic sample reported positive interactions with the W-2 caseworkers or the benefits that were administered by the system. In the first year of the NHES, some families were ending their New Hope participation and were transitioning into the early stages of W-2. The NHES then followed and documented families' experiences with W-2. Most families had two general complaints.*

First, they reported frustration with the bureaucratic complexity of the W-2 system — particularly noting the obstacles that were put in place during the application process, the low income thresholds for receiving aid, and the “hyper-surveillance” concerning families' ongoing eligibility for benefits. Evelia, a single Latina mother of four children, frequently vented her annoyance about how difficult it seemed to qualify for benefits, because W-2's low income thresholds required the termination of benefits. Evelia believed that administrative agencies made it difficult to get benefits in order to motivate people to go to work and stop using state cash assistance. She agreed that people should work, but she was unhappy with what she perceived to be deliberate barriers for those families who needed some type of help. Moreover, when she did apply for such work supports as child care, she experienced maddening delays and bureaucratic obstacles. It took her an entire week of interviews and meetings to get subsidized child care for her daughter — forcing her to miss much-needed time at work, where she was paid hourly.

Second, families reported a lack of emotional and practical support from caseworkers in the W-2 system in Milwaukee County. When asked to compare her experiences with New Hope's project representatives and with W-2's caseworkers, Wendy, a married African-American mother of three boys, stated: “[New Hope representatives] were so caring . . . [at W-2] they don't care. . . . They didn't treat us as, you know, people. They treated us as though we were nothing.” She continued: “[W-2 offered] no kind of education or nothing. . . . Just whatever was going on in our household, that was it. New Hope had so much out there, any kind of job workshops or whatever. They would call us and let us know.” Wendy felt that New Hope's project representatives were looking out for her, that they were actively searching for programs and opportunities that might benefit her. She believed that W-2 workers treated her with little respect. She said: “Once you sit there for a while, its like . . . there was no kind of communication, no kind of connection, nothing. No respect. They would make you feel like you lacked self-esteem. Even if you didn't, they would make you feel that way, because they were snotty.”

Complaints like these in Milwaukee County have not gone unnoticed by state legislators, W-2 administrators, and the media. The volume of complaints prompted the state to audit the private agencies that administer W-2 in Milwaukee County in the spring of 2001 and to recommend a number of changes to improve services.[†] These badly needed reforms met stiff political resistance from some of the more conservative state legislators, and, as a result, reforms that were scheduled to begin in January 2002 were delayed until July 2002.[‡]

*Gibson and Weisner, 2002.

†State of Wisconsin, Department of Workforce Development, 2001.

‡Schultze, 2001.

Chapter 2

Characteristics of the Study Sample and Participants' Use of Benefits and Services

The two-year follow-up report of the New Hope Project was based on data that were gathered when participants were in the midst of their three-year eligibility periods.¹ The five-year follow-up gathered data well after the end of New Hope. This chapter begins by describing the characteristics of the Child and Family Study (CFS) sample at five years, and then it details participants' use of New Hope services throughout their entire three-year eligibility periods. Administrative records and the five-year survey also provide data on the effects of the end of New Hope eligibility. Finally, the chapter compares the receipt of health and child care benefits by program and control group members five years after random assignment, and it presents the costs of New Hope per program group member.

The Child and Family Study (CFS) Sample

The Samples Used in This Report

Participants in the New Hope experiment were recruited over a period beginning in August 1994 and ending in December 1995. The *total New Hope sample* includes 1,357 participants who were randomly assigned during that period.² The Child and Family Study (CFS) sample was selected from the total sample in order to examine the program's effects on families and children. Figure 2.1 illustrates how the samples presented in this report were derived from the total New Hope sample.

The *CFS sample* includes all 745 members of the total sample who had one or more children between the ages of 1 year, 0 months, and 10 years, 11 months, at the time of random assignment. Surveys were administered to CFS families at two years and at five years after random assignment. The analyses presented in this report focus on the *survey sample* of 561 CFS families who responded to the five-year follow-up survey; however, some impacts are presented for the entire set of 745 families in the CFS sample. Up to two children in each CFS family were identified as "focal children" to be studied.³ Surveys were administered to focal children at

¹Bos et al., 1999.

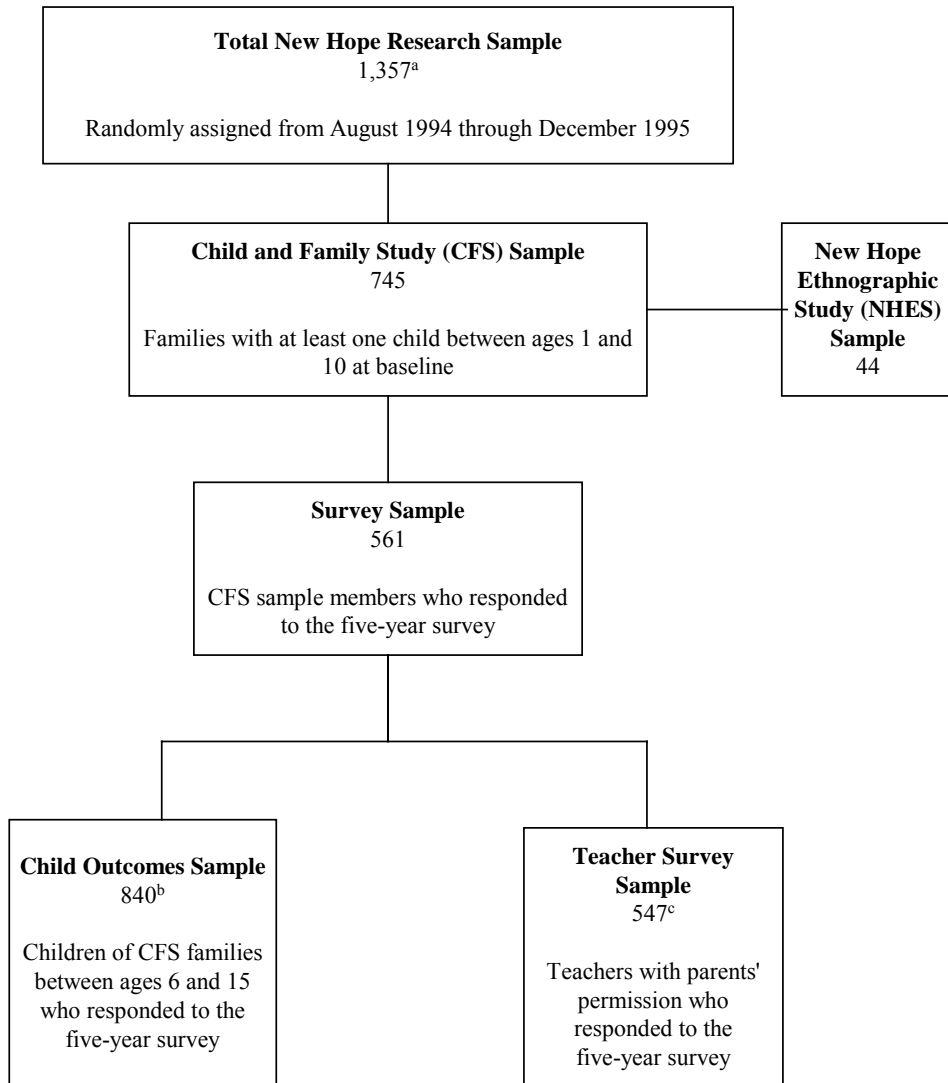
²Five cases lacked baseline data and were dropped from the original total sample of 1,362.

³If a family had more than two eligible children, the focal children were randomly selected, with the restriction that opposite-sex siblings were given preference over same-sex siblings.

The New Hope Project

Figure 2.1

Samples Used in This Report



NOTES: ^aOriginally, 1,362 sample members were randomly assigned, but 5 cases were dropped due to missing baseline data.

^bFor parent-reported child outcomes, the sample size is slightly larger because parents may have reported about children who did not complete the child survey.

^cThis only includes one teacher per child. In some cases, multiple teachers responded for the same child.

the same time as surveys were administered to their parents. The child-reported outcomes presented in this report are based on interviews with 840 children who responded to the five-year survey. These children make up the *child outcomes sample* and were between the ages of 6 and 16 at the time of the survey. In addition, a mail survey was sent to teachers of children whose parents gave permission; teacher-reported outcomes are based on the reports of 547 teachers in this *teacher survey sample*.⁴ Finally, the analysis also draws data from the three-year *New Hope Ethnographic Study (NHES)* of 44 CFS families that was begun in the program's second year (see Appendix B).

A discussion of survey response rates and survey nonresponse bias for the five-year survey samples is presented in Appendix C. The response rate for parents was 75.3 percent; for children, it was 72.3 percent; and for teachers, it was 63.2 percent. A comparison of the 561 respondents to the five-year survey and all 745 CFS families provides reassuringly little evidence of nonresponse bias.

Characteristics of the CFS Sample

Most of the 745 CFS families responded to the surveys at both of the follow-up points, but some families responded to one survey but not to the other.⁵ As a result, the sample used in the two-year report differs slightly from the sample used to generate five-year results. For the most part, the five-year results are based on the sample of families who responded to the five-year survey, but because many of the outcomes presented in this report are a follow-up to the two-year findings, CFS sample members who responded to the two-year survey are compared with those who responded to the five-year survey.

One way to check for differences between the two samples is to compare their background characteristics — all of which were measured at the time of random assignment (baseline). A lack of differences in background characteristics for the two samples generates confidence that program effects estimated at the two points can legitimately be compared, to reveal trends over time, even though the samples were slightly different at the two points in time.

Table 2.1 compares the two-year and five-year survey samples on a number of background characteristics that were measured when parents first applied for New Hope. The two samples are very similar on these baseline characteristics. The majority of families were headed by a single female parent (61.3 percent were never married, and 17.1 percent were separated,

⁴In some cases, more than one teacher responded for a child. The report presents results for only one teacher per child.

⁵Some 486 families responded to both surveys; 91 families responded to the two-year but not the five-year survey; and 76 families responded to the five-year but not the two-year survey.

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Table 2.1

Selected Baseline Characteristics and Employment History of the CFS Sample,
by Survey Cohort

Characteristic	CFS ^a	CFS ^a
	Five-Year Survey	Two-Year Survey
<u>Selected characteristics from Background Information Form</u>		
Demographic characteristics		
Gender (%)		
Female	91.4	92.2
Male	8.6	7.8
Age (%)		
18-19	5.0	4.3
20-24	27.1	28.3
25-34	48.8	49.5
35-44	17.1	16.1
45-54	1.4	1.4
55 or over	0.5	0.3
Average age (years)	29.4	29.2
Race/ethnicity (%)		
African-American, non-Hispanic	55.6	55.7
Hispanic	28.3	27.4
White, non-Hispanic	13.0	13.5
Native American/Alaskan Native	3.0	3.3
Household status		
Shares household with ^b (%)		
Spouse	10.7	9.2
Girlfriend/boyfriend	5.2	5.7
Children (own or partner's)	96.3	96.5
Others	16.3	16.0
Marital status (%)		
Never married	61.3	62.9
Married, living with spouse	11.1	10.0
Married, living apart	10.5	10.1
Separated, divorced, or widowed	17.1	17.5
Number of children in household ^c (%)		
None	0.0	0.0
1	24.1	24.5
2	28.7	29.5
3 or more	47.2	46.0

(continued)

Table 2.1 (continued)

Characteristic	CFS ^a	
	Five-Year Survey	Two-Year Survey
Age of youngest child ^d (%)		
2 or under	48.0	50.3
3-5	30.3	28.7
6 or over	21.7	21.0
Age of child (%)		
1-3 years	28.2	28.5
4-10 years	40.5	39.1
Both	31.4	32.5
Labor force status		
Ever employed full time (%)	83.4	82.1
Approximate earnings in past 12 months (%)		
None	36.9	37.3
\$1-\$999	16.4	14.9
\$1,000-4,999	23.0	24.5
\$5,000-\$9,999	13.2	14.1
\$10,000-\$14,999	7.3	6.4
\$15,000 or above	3.2	2.8
Current employment status (%)		
Employed	38.7	37.7
Not employed	55.6	56.4
Missing	5.7	5.9
Among those currently employed		
Average hourly wage (\$)	6.35	6.29
Average hours worked per week (%)		
1-29	22.4	21.6
30 or more	77.6	78.4
Public assistance status		
Currently receiving AFDC, General Assistance, food stamps, or Medicaid (%)		
Any type	81.1	82.3
AFDC	69.5	70.8
General Assistance	0.9	0.7
Food stamps	77.4	77.4
Medicaid	75.6	76.0
Total prior AFDC/General Assistance cash assistance ^e (%)		
None	14.6	13.5
Less than 2 years	26.4	26.0
2 years or more but less than 5 years	25.9	26.9
5 years or more	33.0	33.5

(continued)

Table 2.1 (continued)

Characteristic	CFS ^a	CFS ^a
	Five-Year Survey	Two-Year Survey
Resided as a child in a household receiving AFDC (%)	34.8	35.1
Educational status		
Received high school diploma or GED ^f (%)	60.6	61.8
Highest grade completed in school (average)	11.2	11.2
Currently enrolled in any type of education or training (%)	37.8	37.3
Other factors related to obtaining/retaining employment		
Has access to a car (%)	43.9	43.8
Ever arrested for anything since 16th birthday (%)	18.9	18.6
Number of moves in past 2 years (%)		
None	4.3	28.3
1	30.1	28.7
2 or more	28.5	39.1
Missing	37.1	4.0
<u>Employment history from Private Opinion Survey</u>		
Client-reported employment history		
Number of full-time jobs (30 hours or more a week) held in past 5 years (%)		
None	21.3	21.6
1	29.6	28.2
2 or 3	37.6	38.5
4 or more	11.6	11.7
When unemployed, length of time it took to find new work (%)		
1 month or less	29.6	28.6
2-6 months	37.2	37.1
More than 6 months	13.9	14.6
Don't know	19.2	19.7
Sample size	561	576

(continued)

Table 2.1 (continued)

SOURCES: MDRC calculations from Background Information Forms (BIFs) and Private Opinion Surveys (POS) for Child and Family Study (CFS) sample members who responded to either the two- or five-year survey.

NOTES: Except for two BIF items, the nonresponse rate for all specific characteristics was less than 1 percent, and therefore these missings were excluded from the calculations. For the two characteristics, for which the nonresponse rate ranged from 5 percent to 7 percent for the full sample, the nonresponses are shown in the table as missings. Among the POS responders, missings for individual questions ranged from 0 percent to 14 percent.

Distributions may not add to 100 percent because of rounding.

Actual sample sizes for individual measures may vary as a result of missing data.

Tests of statistical significance were not conducted for comparisons of the 24- and 60-month CFS samples.

^aThe sample includes all New Hope sample members (except Asian and Pacific Islander families) whose household included at least one child aged 1 to 10 at the time of random assignment.

^bBecause some sample members may be in more than one category, totals may not equal all categories summed.

^cIncludes all dependents under age 18.

^dIncludes all dependents under age 18.

^eThis refers to the total number of months accumulated from at least one spell on an individual's own AFDC or GA case or the case of another adult in the household.

^fThe GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

divorced, or widowed), and most of these women were unemployed (55.6 percent) and receiving public assistance (81.1 percent). Their average age at baseline was 29 years. All racial and ethnic groups were represented, except for Asians and Pacific Islanders, who were excluded because of concerns about the cultural appropriateness of the measures used to assess child and family outcomes. Not surprisingly, 96.3 percent of the parents reported that they shared a household with their own or their partner's children.⁶ Families also had relatively large numbers of children, and the majority had preschool-age children living with them.

Most parents had full-time employment experience, but nearly 20 percent had never worked full time. More than half were not working at the time of random assignment, and more than one-third had not worked at all in the year prior to random assignment. More than four out

⁶The remaining 4 percent of the CFS sample had caretaking responsibilities for children other than their own or their partner's, which could include grandchildren or children of other relatives.

of five were receiving some type of public assistance; the majority (69.5 percent) of those receiving assistance were on Aid to Families with Dependent Children (AFDC). More than one-third had lived in a public assistance household as a child.

Many sample members reported some barriers to employment. For example, only 60.6 percent had graduated from high school or obtained a General Educational Development (GED) certificate. More than half reported having no access to a car, while one-fifth reported being arrested since their sixteenth birthday.

The Use of New Hope's Benefits and Services

Benefit Use by Program Group Members

New Hope's designers and staff strove to maximize clients' participation in the program and their receipt of services. The program was designed to provide a range of services, with the expectation that many participants would not need all benefits in every month. Chapter 1 discusses New Hope's benefits, and the two-year report outlines the factors that influenced the use of benefits by program group members. In order to be eligible for at least some of the benefits, a sample member had to have worked 30 hours per week in the prior month and household income had to be below a specified set of thresholds.

Benefit take-up was not expected to be universal. New Hope's health insurance was of little interest to participants who were already covered by Medicaid. Community service jobs (CSJs) helped only those participants who were not able to secure full-time employment on their own. Other reasons for participants' failure to take up benefits include reluctance to change existing arrangements, particularly in the area of child care; lack of awareness of New Hope's flexibility when their circumstances changed, especially in terms of taking advantage of CSJs when they lost their jobs; and, for some, frustration with New Hope's project representatives and confusion about their eligibility.

The interim report includes information about benefit use during the first two years of the evaluation.⁷ This section presents a complete picture of benefit use through the end of three years of eligibility.⁸ All data presented in this section were calculated using data from New Hope's client-tracking database.

⁷See Bos et al., 1999.

⁸For administrative reasons, a few participants continued receiving benefits through approximately Month 40 (post-random assignment). For these participants, the data presented in Table 2.2 extend a few months beyond the 36-month eligibility period.

Table 2.2 shows the use of earnings supplements, CSJs, health insurance, and child care subsidies through the end of eligibility for the sample members who were in the program group. The vast majority (87.6 percent) of CFS program group members received at least one of the three New Hope financial benefits during their three-year program eligibility period. Almost all of these participants (86.5 percent) received at least one earnings supplement. Health insurance and child care subsidies were used by slightly more than half the program group members (55.7 percent and 52.1 percent, respectively).

The use of earnings supplements and child care benefits over the three years is somewhat higher than it had been after two years. The use of health care subsidies increased from 40 percent within two years to 56 percent within three years. It is likely that benefit usage — particularly health coverage — increased in the third year because of an increase in the proportion of families leaving welfare and, as a result, needing additional supports.⁹ Some evidence of this can be found from survey reports for the CFS sample. Although eligibility for Medicaid is officially determined independently of an individual’s welfare status, at the two-year follow-up, 60.9 percent of CFS program group members were receiving Medicaid, compared with only 22.4 percent at the five-year follow-up.

Although fewer CFS program group members used health insurance and child care benefits than used earnings supplements, all three benefits were used for similar periods of time. On average, those who received an earnings supplement did so for a total of 14.9 months, while those who used health insurance benefits did so for 12.3 months. Users of the child care subsidies received such assistance for an average of 15.5 of the 36 months of eligibility.

The average earnings supplement was \$125.89 per month, but supplement amounts varied with income and household size. For example, 22.2 percent of CFS families who received a supplement received between \$51 and \$100 per month, on average. But 14.8 percent received an average supplement of more than \$200 per month.¹⁰ Those who had lower incomes and larger families received the most substantial benefits. Among the households that were using New Hope’s HMO health insurance, the average monthly payment was \$278 plus an additional copayment of \$30, which was paid by the participant. The average New Hope contribu-

⁹A small part of the increase in receipt of benefits may be due to the fact that this report presents findings for a slightly different sample of CFS families and that these families were slightly more likely to use benefits at the two-year follow-up. Findings for all CFS families in the program group are presented in the interim report (Bos et al., 1999). This report presents findings for the subset of those families who responded to the five-year survey (see the section above entitled “Characteristics of the CFS Sample”).

¹⁰These numbers do not include the EITC, which was considered in calculating the size of the New Hope wage supplement.

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Table 2.2

**The Use of New Hope's Financial Benefits and Community Service Jobs
by Program Group Members, Within the Eligibility Period**

<u>Outcome</u>	<u>Total</u>
<u>All households</u>	
Ever used a New Hope financial benefit (%)	
Any type	87.6
Monthly earnings supplement	86.5
Health insurance	55.7
Child care	52.1
Ever worked in a CSJ (%)	32.3
Average number of months with a financial benefit for those who received it	
Any type	17.7
Monthly earnings supplement	14.9
Health insurance	12.3
Child care	15.5
<u>Households that received earnings supplements</u>	
Number of monthly earnings supplements received (%)	
1-6	26.6
7-12	17.6
13-18	18.0
19-24	19.7
25-36	18.0
Distribution of amount of monthly earnings supplements (%)	
\$1-\$50	17.1
\$51-\$100	22.2
\$101-\$150	23.4
\$151-\$200	17.5
\$201 or more	14.8
Average amount of monthly earnings supplement (\$)	125.89
<u>Households using New Hope insurance</u>	
Households using each type ^a (%)	
New Hope HMO health insurance	70.0
New Hope contribution toward employer's health insurance	47.8
Average New Hope HMO monthly amounts (\$)	
Participant contribution	29.60
Average monthly benefit (\$)	
New Hope health insurance benefit	277.51
Total health insurance cost (contribution and benefit)	307.11
Average New Hope contribution toward employer's health insurance	84.52
	(continued)

Table 2.2 (continued)

Outcome	Total
<u>Households using New Hope child care benefits</u>	
Average monthly amounts (\$)	
Participant contribution	67.05
New Hope child care benefit	699.21
Total child care cost (contribution and benefit)	766.27
Sample size	282

SOURCE: MDRC calculations using the New Hope Project MIS client-tracking database.

NOTES: New Hope financial benefits include earnings supplements, child care assistance, and health insurance.

^aSome households are in both categories because they may have been part of the New Hope HMO plan and then moved to an employer plan (or vice versa).

tion for employers' health plans was \$85 per month. Child care benefits totaled \$766 per month, on average — \$699 of which was paid by New Hope.¹¹

Figure 2.2 shows that benefit use by program group members remained relatively stable in the second half of the 36-month eligibility period, with only a slight decline in the final few months of eligibility. At the end of eligibility, 45 percent of the sample were receiving some type of New Hope benefit.¹² By Month 40, none of the CFS families were receiving New Hope benefits. Box 2.1 examines some of the reasons for the variation in take-up of the program and its benefits.

Adjusting to the End of New Hope Eligibility

Since New Hope's benefits ended after 36 months, there was some concern about how families would cope with the ending of their benefits. In the five-year survey, program group members were asked about their experience with New Hope benefits and the end of eligibility (Table 2.3). Some 59.4 percent of program group members reported that they were receiving benefits when their eligibility ended. This proportion is somewhat higher than the proportion

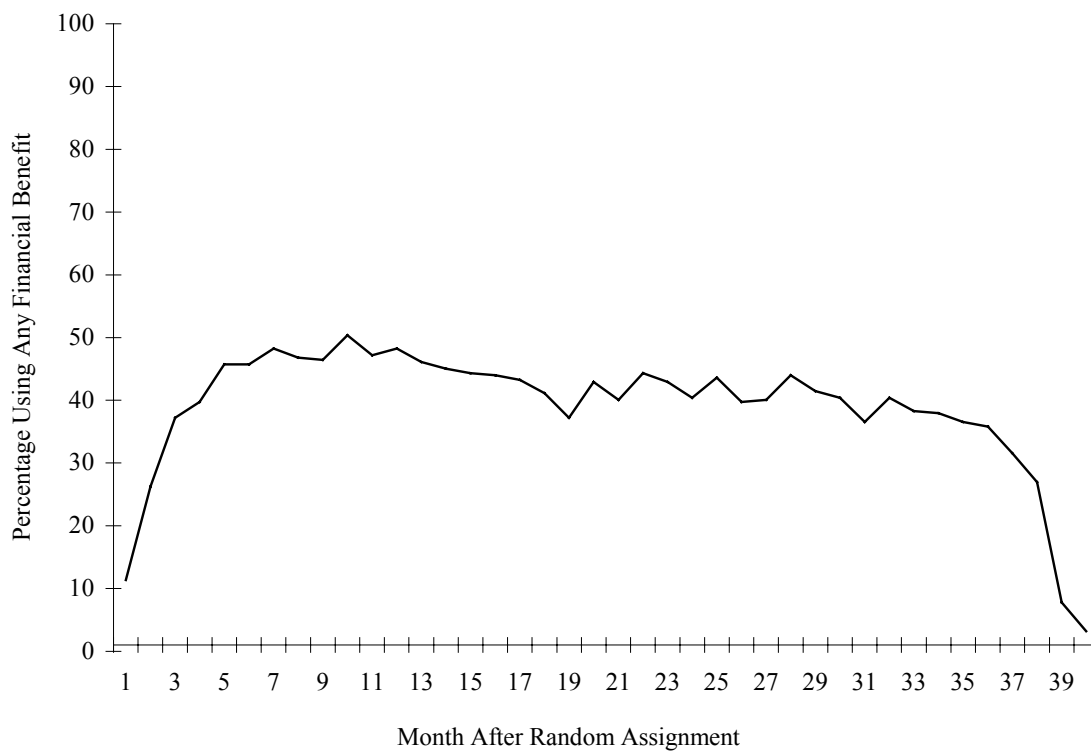
¹¹Average monthly payments for child care were based on only two years of follow-up because additional follow-up for this benefit was not available. It is not likely that the average monthly amounts would change significantly with additional data.

¹²This is estimated by adding the proportion receiving any benefits in Months 36 through 40.

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Figure 2.2

Percentage of Program Group Members Using Any New Hope Financial Benefit Within the Eligibility Period, by Month



SOURCE: MDRC calculations using the New Hope Project MIS client-tracking database.

NOTE: New Hope financial benefits include earnings supplements, child care assistance, and health insurance.

Box 2.1

The Take-Up of New Hope's Benefits Varied Widely Because of Family Circumstances and Clients' Understanding of the Program

Families who were randomly assigned to the program group had diverse experiences with the New Hope offer. About half of program group families in the New Hope Ethnographic Study (NHES) reported really being helped by the program and could explain the specific benefits that they received. Another fifth of the NHES families received some benefit from the program but were prevented from sustained use of New Hope by other difficulties in their lives (such as drug dependency, extreme family crises, and severe mental health problems). Nearly another third could have participated in the program but, for various reasons, were unable or unwilling to do so in any significant way.

Drawing on the ethnographic data, Gibson and Weisner examined the various reasons for the differential rates of New Hope take-up.* Maria, age 41 and a mother of two, described the kind of interest that many parents had and that New Hope both drew on and supported: "I was so excited when I got in. I was going to be a participant, and it wasn't going to cost me nothing. If anything, it was going to give me money to just do what I was already doing." But Anna, who could work only enough hours to use New Hope's benefits sporadically, despite needing them, had another view: "I had my ups and downs [in New Hope]. . . . Yeah, it was still tough, because then you really had to work, because you weren't getting the hours you were supposed to get. You had to make up for it [the 30 hours], and then you still had bills and stuff in the way, and things always come up."

These two participants illustrate the wide variation in take-up of the New Hope program and benefits. Despite the relative generosity of the program and its supportive caseworkers, take-up was far from universal, and participants who took up at least some benefits rarely took up all of them. Ethnographic analysis of a random sample of all the experimental participants found that four categories of personal and family circumstances were associated with take-up: (1) the "constrained by information" group (participants whose understandings about the program differed from what New Hope offered); (2) the "disruptive life" group (who had significant personal troubles and instability); (3) the "pros and cons" group (who used explicit cost-benefit calculations to decide about take-up); and (4) the "daily routine" group (who took up particular benefits only if they helped sustain the family's daily routine). Analysis of take-up of other services by the control group showed similar patterns, suggesting that these take-up patterns existed for other public services and were not specific to New Hope. In general, the take-up of antipoverty programs as well as welfare-to-work interventions like New Hope vary due to the ecological and cultural conditions that families face in struggling to sustain a daily routine — including parents' personal goals and values as well as a more conventional cost-benefit approach.

*Gibson and Weisner, 2002.

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Table 2.3

Effects of the End of New Hope Eligibility for the CFS Sample

Outcome	Total
Receiving benefits when eligibility ended (%)	59.4
Reported any adjustments due to end of eligibility (%)	44.2
Among those who reported adjustments	
Percentage reporting each type ^a (%)	
Related to a core New Hope Benefit	71.8
Child care	38.0
Health insurance	22.3
Other	33.4
Employment-related	26.1
Practical coping adjustment	29.8
Negative consequences	0.8
Other	12.3
Among those who were receiving benefits when eligibility ended	
Percentage who reported that at the end of New Hope they were: (%)	
Completely ready to move forward	37.5
Somewhat ready to move forward	44.4
Not at all ready to move forward	18.1
Percentage who reported that the end of eligibility was: (%)	
Not a problem at all	43.4
A minor problem	37.7
A major problem	18.9
Sample size	271

SOURCE: New Hope five-year survey.

NOTE: ^aRespondents may have reported more than one adjustment type; therefore, categories do not sum to 100 percent.

reported earlier, which was calculated using the New Hope client-tracking database, and it suggests some degree of recall error in responses to the end-of-eligibility questions.

Just under half (44.2 percent) of all program group members and three-quarters of families still receiving benefits reported that they had to make some type of adjustment in response to the termination of their benefits. Most of the adjustments concerned one of the core New Hope benefits: earnings supplements, child care, or health insurance. Other common adjustments were related to employment (for example, the 26.1 percent reporting employment-related adjustments) and to practical coping adjustments such as budgeting, changing work and education schedules, and changing child care arrangements (29.8 percent).

New Hope’s designers and staff were concerned about the loss of benefits, and they worked to ensure that participants understood that benefits would end and to ensure that the adjustment to the loss of benefits would go as smoothly as possible. Perhaps as a result, most participants reported no problems. Eighty-two percent of those who were still receiving benefits when their eligibility ended reported being somewhat or completely ready to move forward without New Hope, and 43.4 percent reported that the end of eligibility was not a problem at all. However, about one-fifth of the families reported that they were not ready to move forward without New Hope and that the end of eligibility was a major problem. Box 2.2 gives examples of how two families adjusted to the end of New Hope’s benefits.

Comparison of Benefit Use by Program and Control Group Members

The two-year survey provided some evidence that New Hope helped families learn about and use other supports that were available in their communities. The five-year survey permits a test of whether this was the case at least two years beyond the end of the New Hope program. The upper panel of Table 2.4 compares health and child care benefit receipt at 24 months for program and control group members, and the lower panel of the table presents similar outcomes at the five-year follow-up.

Two points must be kept in mind when reading Table 2.4. First, the program effects shown are based on a different data source and for a different time period than findings shown earlier in the chapter. The earlier findings are based on three-year administrative data from the New Hope program, but such data do not capture the use of non-New Hope services by program group members or the use of comparable services by individuals who were randomly assigned to the control group. Table 2.4 uses data from the two follow-up surveys, which were administered to both New Hope participants and control group members.

Table 2.4 is also the first table in the report that shows experimental program effects (or “impacts”). These effects are based on mean differences between the program and the control group families that have been adjusted for the mostly small differences in their characteristics at

Box 2.2

The Loss of New Hope's Supports Affected Families Very Differently

The families in the New Hope Ethnographic Study (NHES) and those in the five-year survey sample reported similar experiences in leaving the program. Of course, many New Hope families had been receiving program support only sporadically and at the end of their period of eligibility were not receiving benefits at all. For these families, the impact of leaving was minimal. The NHES families who seem to have been most impacted by the end of their period of eligibility had been using the program's benefits more or less continuously over the entire period of eligibility. These families faced significant cost increases to secure services like those they were receiving through New Hope — particularly families who were long-term users of the program's health insurance and child care benefits. Many of these families also lost access to services that they felt were particularly beneficial to their children, such as a child care provider. While some of these families were able — within a few months of leaving the program — to find alternatives that replaced the services that New Hope had paid for, other families struggled with the loss of program supports for years.

L'Kesha, an African-American single mother of two school-aged children and one preschool-aged child, reported on the survey that the end of New Hope eligibility was “no problem at all.” Although she had been receiving the wage supplements, she mainly used them to buy “extras” for herself and the children, so she said she did not really miss them. The child care supplement was another story, however. L'Kesha worked full time as a receptionist for a local nonprofit organization, and she used the child care supplement to pay a woman who reliably cared for her children during L'Kesha's entire term of enrollment. Once the family's eligibility ended, the cost of this arrangement nearly quadrupled (from about \$25 per week to nearly \$90 per week). As a result, L'Kesha could no longer afford child care with this provider. For a period of several months after leaving New Hope, L'Kesha relied on a number of informal child care options involving her relatives and her boyfriend. She also tried to bring her youngest daughter to work with her a few times, but her supervisors disapproved of that. By the fall of 1998, with her youngest child starting kindergarten, L'Kesha relied on her boyfriend to help get the children to school in the morning, and her niece would watch them after school. Although this arrangement was not as good as the arrangement with the earlier child care provider, it proved stable over time.

Edith's story is similar to L'Kesha's, but she experienced her situation as being much more difficult. She reported on the survey that the end of New Hope eligibility was “a major problem.” Edith, a married Latina mother whose three children were between the ages of 2 and 6 in 1998, also mainly relied on New Hope's child care supplement and with it was able to keep all her children in a formal daycare center that she believed was of very high quality: “There the children are sons of doctors, lawyers, policemen, and I wanted my children to be among those with [parents] of a higher social status.” The daycare was very good for her youngest daughter, Libertad, because it promoted better mastery of language at an early age, in Edith's view. The daycare also provided educational games to play that aided the children's development. However, once the family's eligibility for New Hope came to an end, Edith's cost to keep her children in this care arrangement increased from about \$100 a month to over \$800 a month. She applied for Wisconsin Works (W-2) child care, but her household income exceeded the thresholds for eligibility. On a friend's recommendation, Edith resorted to leaving her kids with a woman who ran a babysitting service in her home. Edith was unhappy with the quality of this arrangement, however, often complaining that the woman put the children in front of the television all day to keep them quiet. But this kind of care was all that Edith could afford. Over the next few years, she tried several other babysitters but never found the quality of care that her children had received when the family was enrolled in New Hope.

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Table 2.4

Impacts on the Use of Health and Child Care Benefits at Two Years and at Five Years

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a
<u>Two-year impacts^b</u>						
Currently receiving health insurance ^c (%)	93.5	85.5	8.0 ***	0.002	9.3	0.20
Type of health insurance (%)						
New Hope plan	37.4	n/a	n/a	n/a	n/a	n/a
Medicaid ^d	60.9	67.4	-6.5 *	0.077	-9.6	-0.13
Employer plan	38.3	37.9	0.4	0.918	1.1	0.01
Receiving child care assistance, any type (%)	59.4	41.0	18.5 ***	0.000	45.1	0.39
New Hope subsidy	50.0	n/a	n/a	n/a	n/a	n/a
Welfare department subsidy	15.6	41.4	-25.8 ***	0.000	-62.4	-0.61
Other subsidy	1.2	0.3	0.8	0.341	240.4	0.10
Sample size	289	301				
<u>Five-year impacts^b</u>						
Currently receiving health insurance (%)						
Adult covered by health insurance	85.9	88.1	-2.2	0.435	-2.5	-0.07
All focal children covered by health insurance	84.2	88.2	-3.9	0.179	-4.5	-0.11
Type of health insurance ^c (%)						
Employer plan	33.2	31.9	1.3	0.739	4.1	0.03
Medicaid ^d	22.4	27.6	-5.3	0.143	-19.1	-0.12
BadgerCare ^e	20.1	21.0	-0.9	0.799	-4.2	-0.02
Other private or family employer plan	14.3	13.6	0.8	0.796	5.6	0.02
Receiving child care subsidy from welfare or other agency (%)	16.4	16.7	-0.3	0.913	-2.0	-0.01
Sample size	282	279				

(continued)

Table 2.4 (continued)

SOURCES: New Hope two- and five-year surveys.

NOTES: ^aThe effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bSome outcomes presented in this table may differ across the two follow-up points. Because of differences in the New Hope program status, the survey questions asked at the two-year follow-up were slightly different from those asked at the five-year follow-up.

^cCategories of health insurance are not mutually exclusive. Because a person may have received more than one type of insurance, the subcategory percentages need not sum to the total percentage covered by health insurance.

^dIncludes coverage of spouse/partner and children.

^eA state-sponsored program in Wisconsin that offers Medicaid insurance to low-income, uninsured families with children.

baseline. Box 2.3 explains how to interpret such a table; from this point on, all tables that show program effects will follow this general format.

The upper panel of Table 2.4 shows that, at the two-year point, New Hope substantially increased the likelihood of families' being covered by health insurance and receiving child care subsidies. The lower panel of the table shows that these effects did not persist; at the time of the five-year survey, there were no significant program effects on benefits received. Although most families were covered by health insurance, neither adults nor the children in New Hope families were any more likely than their control group counterparts to have health insurance at the five-year follow-up. Between 85 percent and 88 percent of both program and control group members reported having access to health insurance. Nor did New Hope's impact on the proportion of families receiving any type of child care subsidy persist through five years: About 16 percent of both groups reported receiving child care assistance.

The Cost of Providing New Hope's Services

The two-year follow-up report presented an early look at the costs and benefits of the New Hope program. This section expands on that analysis by presenting costs for the CFS sample and by extending the cost estimates for an additional year — through the end of eligibility for New Hope.

Box 2.3

How to Read an Impact Table

Table 2.4 is the first in a series of tables featuring program-control group differences for separate subgroups in New Hope. These differences constitute estimates of program effects and are also referred to as “impacts” throughout the report. In addition to estimates of program effects, each table contains a great deal of information about the significance of the effects, how to interpret their size, and how they compare with other program effects. Not all of this information is of use to all readers, but all should be able to find what they need in these tables.

Here is a column-by-column description of the features in a typical impact table in this report:

1. The first three columns of data (“Program Group,” “Control Group,” and “Difference”) tell the basic impact story. They show the outcome levels for program and control group members and the difference between these levels, which is the estimate of the program effect. The unit in which these impacts are expressed is shown at the left, in the table stub; the unit is usually either a percentage or a dollar amount, but other units are used as well.
2. Statistical tests are conducted to assess whether the differences shown in the third column are statistically significant (using a two-tailed significance test). Asterisks next to the differences indicate the results of these tests. The absence of an asterisk means that the probability is 10 percent or greater that the difference is only the result of random chance. Three asterisks indicate the highest level of statistical significance: the chance of a difference that is really zero is less than 1 percent. Two asterisks mean that this chance is between 1 percent and 5 percent, and one asterisk means that it is between 5 percent and 10 percent.
3. The fourth column shows “P-Value for Difference.” This is the exact probability that the impact is really the result of random chance. It is useful to refer to the p-value for impacts that are marginally statistically significant, which often happens when sample sizes are small. For example, the impact on Medicaid receipt shown in the lower panel of Table 2.4 was not statistically significant, but the probability of an entirely random difference was only 0.143.
4. The fifth column shows “% [Percentage] Impact.” This is the difference expressed as a percentage of the control mean. These numbers are useful to compare impacts that are based on different units (such as dollars and hours of work) and to compare impacts across outcomes with very different means (like monthly and quarterly earnings).
5. The sixth column shows “Effect Size.” This is the impact divided by the full sample’s standard deviation for the outcome. Effect sizes are widely used to compare effects across different programs and across different outcome areas. Researchers like to make statements about the “absolute” size of effects based on these effect sizes. As a rule of thumb, effect sizes of 0.1, 0.3, and 0.5 are considered small, medium, and large, respectively. However, generally it is believed that effect sizes for mediating outcomes (for example, participation, attitudes, goals) need to be larger to be meaningful than effect sizes for “final” outcomes (for example, income, graduation, school progress).*

*For a detailed (and classic) discussion of effect sizes, see Cohen (1988, pp. 531–553).

Before beginning the discussion of program costs, it is important to understand the limitations of this analysis. Unlike the two-year report, this section presents only the *gross* costs of providing New Hope's services to CFS program group members.¹³ Thus, in this analysis, any savings in government expenditures as a result of New Hope are not subtracted from the costs of running the program. Such savings might include decreased welfare expenditures, Medicaid, and child care subsidies. The analysis that is presented in the two-year report estimated that these savings totaled \$944. Because of New Hope's impacts on employment, the government budget might also benefit from increased revenue brought on by increased income and sales taxes, which were estimated in the two-year report to total \$96 at the end of two years. Nor does this analysis account for any benefits to program group members as a result of New Hope.

The costs presented in this section are not directly comparable to the costs presented in the earlier report because they are estimated for the CFS sample only, whereas the two-year report presents costs for the entire program group.¹⁴ Analyses of participation patterns at the two-year follow-up showed that CFS families' participation rates did differ from non-CFS families, particularly in the area of New Hope child care subsidies and health insurance. Program costs for CFS families are higher on average, largely because child care costs are such a large component of program costs and because CFS families had more children in child care during the follow-up period.¹⁵

Table 2.5 presents estimates of the gross costs of providing New Hope services to CFS program group members for the three-year eligibility period.¹⁶ The total cost of New Hope for CFS families was \$15,799, or approximately \$5,270 per year per CFS program group family. The table shows that the largest percentage of program costs came from child care subsidies (37.9 percent), followed by case management and administration of benefits (22.8 percent).

Conclusion

The participation figures presented in this chapter clearly show that New Hope did not provide the full range of program benefits to every participant in every month. However, the

¹³A more complete accounting of costs and benefits will be presented in a later report.

¹⁴Although the costs in this section account for variations in the use of program services for CFS families compared with non-CFS families and program group members as a whole, the participation rates that were used are for the 24-month follow-up period, due to data constraints. An analysis of available data shows that third-year participation rates were lower for child care subsidies and higher for New Hope health insurance.

¹⁵It is very likely that some of the increased costs for child care were offset by savings in other types of child care assistance offered by the welfare department and other government agencies.

¹⁶To calculate the estimates of costs presented here, the unit costs used in the two-year report were applied to an additional year of eligibility. For a more detailed discussion of the calculations and the underlying assumptions of the analysis, see Bos et al. (1999).

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Table 2.5

**Estimated Three-Year Gross Costs of New Hope per CFS
Program Group Member (in 1996 Dollars)**

Gross Cost (\$)	Program Group Member	Percentage of Total
<u>Program component</u>		
Earnings supplement	1,373	8.7
Health benefits	1,849	11.7
Child care subsidy	5,987	37.9
Community service job (CSJ) wages ^a	1,443	9.1
Program administration ^b	1,545	9.8
Case management, benefit administration, development and management of CSJs	3,604	22.8
Total gross program cost for three years	15,799	
Sample size	366	

SOURCE: MDRC calculations using expenditure data from the New Hope Project accounting system.

NOTES: ^aThe \$4.75 hourly minimum wage became effective on October 1, 1996. Prior to that date, it was \$4.25 per hour. On September 1, 1997, it became \$5.15 per hour.

^bIncludes overhead expenditures such as rent, utilities, and depreciation.

vast majority of CFS program group members (87.6 percent) received at least one New Hope benefit at some point during the follow-up. In an average month, 38.7 percent of program group members received some type of New Hope benefit. Specifically, in an average month, 35.0 percent received an earnings supplement; 18.6 percent were covered by New Hope health insurance; and 22.3 percent used New Hope child care assistance. Another 6.5 percent worked in a CSJ. Families who received New Hope benefits tended to receive them for a fair number of months — a year or more, on average.

There is some evidence that families who did not originally use any New Hope benefits began receiving earnings supplements and child care subsidies later in the follow-up period. Most notable is the proportion who began to participate in the New Hope health plan in the last year of eligibility, perhaps as access to other sources of insurance decreased. The in-

crease in the number of families using benefits demonstrates that even though New Hope did not consistently serve every family in every month, it did offer a range of work supports that were used by many families.

Differences in benefit receipt that were noted earlier in the two-year follow-up period did not persist two years beyond the end of New Hope's benefit period. Five years after baseline, equal numbers of program and control group families were covered by health insurance and were receiving child care subsidies. Although a significant number of families were receiving New Hope benefits when their eligibility ended, the majority reported no hardships associated with the loss of benefits.

Chapter 3

New Hope's Effects on Employment, Benefit Receipt, and Income

This chapter presents New Hope's effects on employment, earnings, receipt of public assistance, and income over the five-year period following random assignment. Program effects on these outcomes are presented first for the entire Child and Family Study (CFS) sample and then for important subgroups.¹

Key Findings

- New Hope increased employment over the five-year period, with the bulk of the increase occurring within the first two years. Over the 60-month period following random assignment, program group members worked more total quarters and more consecutive quarters than did control group members.
- New Hope increased earnings-related income and total income over the five-year period, although the size of the effects diminished after Year 3, when the program supports ended.² Even though the impacts on total income were not large during the last two years, poverty rates were significantly lower during this period because New Hope reduced the number of families with very low incomes.
- New Hope had no significant effects on benefit receipt from the Aid to Families with Dependent Children (AFDC) program or the Temporary Assistance for Needy Families (TANF) program.
- New Hope increased long-term stable employment. This increase may have contributed to the fact that the program group also earned somewhat higher wages than the control group in Year 5.
- New Hope had differential effects on subgroups. For instance, New Hope had lasting effects on those sample members with one of a number of possible barriers to employment, and it helped Hispanics more than it helped blacks (non-Hispanic) or whites (non-Hispanic).

¹An analysis for the total New Hope sample of 1,357 members — including adults who are not part of the CFS sample — will appear in a separate report.

²Recall that funding constraints limited the duration of New Hope's benefits to three years.

New Hope's Rationale and Theoretical Framework

The New Hope program was designed in response to serious shortcomings in the employment situation of many low-income residents of Milwaukee. Despite substantial job growth, low unemployment, and a very favorable economic situation, many low-income workers hold part-time jobs when they want to work full time, are intermittently unemployed, or earn a wage that is not sufficient to lift their families out of poverty. In addition, most low-wage jobs do not offer health benefits, even though most Americans consider such benefits a necessity. Also, many low-income families must spend substantial amounts of money to place their children in child care while they work. The lack of subsidized child care is well documented and is widely considered to be a substantial barrier to the labor force participation of low-income parents.³

New Hope's Response

To address these problems in the context of a demonstration program, New Hope offered its participants an array of services and benefits. These services and their potential effects on employment, earnings, public assistance, and income are summarized in Figure 3.1, which expands the left-hand portion of the conceptual model presented in Chapter 1 (Figure 1.1). First, New Hope developed community service jobs (CSJs), which were available to any participant who was willing to work full time (30 hours a week or more) but was unable to find full-time employment.⁴ CSJs were designed to be temporary, allowing participants to bridge spells of unemployment or underemployment, to become acquainted with the world of work, or to find new career paths when previous jobs had not worked out.

A key New Hope benefit was its earnings supplement, which was available to anyone working at least 30 hours a week. The supplement “topped up” the net earnings of full-time workers to the federal poverty standard (after accounting for the federal and state Earned Income Tax Credits [EITCs]), in order to eliminate the “poverty-wage” employment that is so common among low-wage workers.

Outcomes for New Hope's control group provide an indication of the need for the earnings supplement component in Milwaukee's low-wage labor market. As shown in the two-year report, for a majority of people in the control group, earnings combined with EITC benefits in Years 1 and 2 failed to bring family incomes above the poverty line. Although poverty is less pervasive than it would have been in the absence of the EITC, there still appears to be a substantial need for income support to low-income workers. These conditions

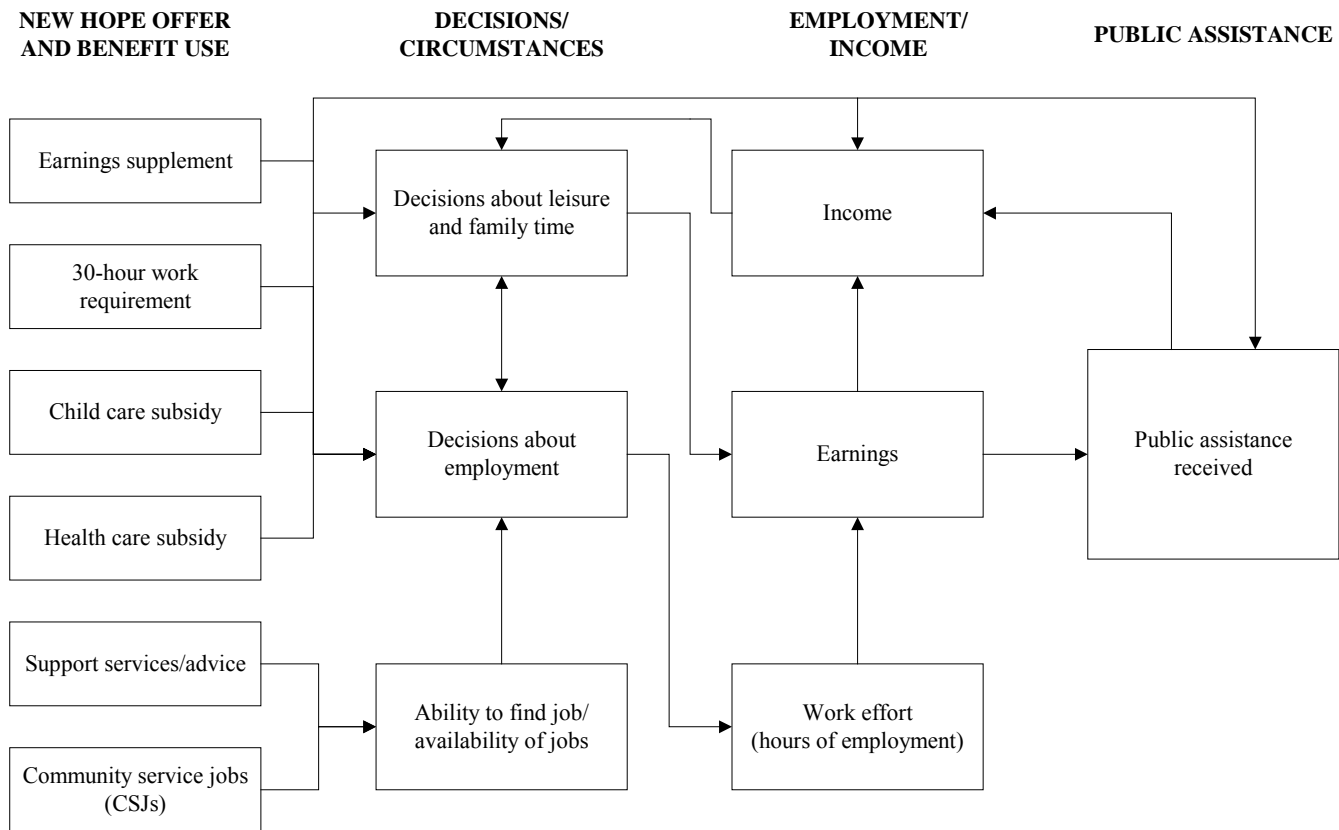
³Fuller, Kagan, Caspary, and Gauthier, 2002.

⁴For more details about the community service jobs, see Poglinco, Brash, and Granger (1998).

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Figure 3.1

Conceptual Model of New Hope's Impacts on Earnings, Income, and Public Assistance



remained two years after sample members first applied to New Hope, and they occurred despite Milwaukee's tight labor market.

Health insurance and access to health care are ongoing and growing concerns for low-income families. At the two-year follow-up of New Hope, less than half of control group members who were employed had an employer who offered health care benefits. Of the remainder, many were eligible for Medicaid, either because they received some public assistance benefits or because they met the income cutoff for Wisconsin's BadgerCare program.⁵ However, as shown in the two-year report, nearly 60 percent of the control group sample reported experiencing periods without health insurance during the first two years of follow-up.

Lastly, New Hope attempted to address low-wage workers' need for affordable child care. There is a growing literature documenting the difficulties that low-wage workers — especially women — face in finding and paying for good-quality child care while they are at their jobs.⁶ More and more jobs have irregular or unconventional hours, when schools and formal child care centers are closed. And even if adequate child care is available, it usually involves long waiting lists and substantial fees.

Thus, there is a range of potential supports that low-income workers need in order to stay employed and bring their families out of poverty. Chapter 2 shows that most New Hope participants availed themselves of one or more of the program's services, and the two-year evaluation indicates that most participants expressed very favorable opinions about the program and its staff. Given all that, why does this chapter rely on comparisons of participants and control group members to assess the effects of New Hope on employment, earnings, and income? The answer to this question lies in the expectation that New Hope's services would affect the behavior of program participants and the choices they make.

Effects on Job Decisions

Changes in behavior caused by New Hope could either magnify or reduce the program's benefits for its participants. Consider the theoretical model in Figure 3.1. The left side of this model lists all the components of New Hope that are discussed in Chapter 2. Arrows connect these components to the key outcomes discussed in this chapter. The figure does not presume to be a comprehensive depiction of reality: The arrows link only to the outcomes that the program was most likely to affect directly, and not all possible outcomes are shown.

⁵BadgerCare is a state program offering free medical insurance to families whose income is below a certain cutoff level but not low enough to qualify them for public assistance benefits.

⁶Fuller, Kagan, Caspary, and Gauthier, 2002.

In the second column of Figure 3.1, two areas of employment outcomes that might be affected by New Hope are distinguished. First, there is the program's direct effect on employment *decisions*. By providing earnings supplements and assistance with child care and health care, New Hope increased the immediate payoff from work while simultaneously reducing some of the costs associated with going to work. Coupled with a 30-hour minimum for the average weekly work effort to qualify for benefits, these factors might be expected to increase (1) the number of participants who seek employment and (2) the number of hours that they work (their work effort, shown in the model's third column).⁷ This expected response is one of the key assumptions underlying the concept of "making work pay."

Second, New Hope provided community service jobs. CSJs were available to those who could not find employment on their own, despite an eight-week job search. In addition, New Hope project representatives actively assisted and supported participants in their search for regular employment. Consequently, one might expect the access to jobs and the range of job options to be increased by New Hope, as shown in the second column of the model. This, in turn, would affect the employment decisions and actual employment outcomes of those participating in the program. Again, the initial expectation was that New Hope would increase employment as a result.

The third column of Figure 3.1 shows how New Hope was expected to increase participants' incomes — both directly, by providing financial and in-kind assistance, and indirectly, by increasing the earnings from work. Such increases in income (and financial stability) can affect subsequent choices that people make. Specifically, economic literature and past experience with programs that transfer income predict that those who benefit from such transfers may decide to reduce their work effort in favor of child care, family time, social activities, or leisure.⁸ This can produce a negative effect on employment that, for some participants, could offset the positive

⁷The effect of the 30-hour rule on participants' response to the program is not altogether obvious. While this threshold substantially increases the incentive for those not working at all and for those working substantially fewer than 30 hours, it also introduces a "hurdle" that may be difficult to overcome for some participants — especially those with limited work experience or substantial barriers to employment. If, for some reason, a person simply cannot work 30 hours per week, the program's benefits (and thereby its potential effect on behavior and subsequent outcomes) are severely curtailed.

⁸There is an extensive economic literature on these responses to changes in income from transfers and subsidies. Much of this literature discusses a series of social experiments conducted in the early 1970s, known as the Negative Income Tax (NIT) experiments. In these experiments, it was found that increasing the income of poor families by using tax-based subsidies reduced the labor supply (work effort) of the affected families, but not universally so and usually not to any substantial degree. For a discussion of the underlying theory and findings from these NIT studies, see, for example, Robins, Keeley, Spiegelman, and West (1978); Robins, Spiegelman, Weiner, and Bell (1980); Danziger, Haveman, and Plotnick (1981); Ashenfelter (1978); Ashenfelter and Plant (1990); Killingsworth (1976); and Robins and West (1983). For more recent examples, see Card and Robins (1996) and Berlin et al. (1998). For a discussion of the role played by marginal taxes and labor supply in the design of the New Hope offer, please refer to Brock, Doolittle, Fellerath, and Wiseman (1997, pp. 200–213).

effects mentioned above. Specifically, one might expect such negative effects to occur for those who already work well over 30 hours a week and do not need the program's help in finding a job. Especially among the working poor, who already often must hold several jobs to break even, the added income from a program like New Hope might offer a good opportunity to settle into a more manageable work life. The expected effect in that case would be a *reduction* in work effort.

Finally, the model acknowledges the possibility that the program's effects on employment and earnings could translate into reduced public assistance for its participants. That is, both because of welfare rules and because of individual choice, participants may receive fewer public assistance payments than they would have in the absence of the program. While this dampens the program's potential effects on sample members' incomes, it also generates program benefits for the government and for taxpayers.

Measuring Program Impacts

When implementing a set of benefits such as those offered by the New Hope program, it is important to document all these behavioral responses. Even when the use of actual program benefits is well documented, the real "impact" of the program includes both these benefits and the behavioral responses they elicit. For example, a New Hope participant may have been much better off because her income was increased with an earnings supplement and her child care needs were heavily subsidized by New Hope. But if such help from the program also caused her to leave welfare for work, the overall benefit was much greater than the amount of money transferred through New Hope.

It is difficult to assess behavioral changes resulting from participation in New Hope by looking only at the participants. As their lives changed over time, some of this change might have been attributable to their contact with New Hope while other changes might have happened anyway. Therefore, an independent assessment must be made of what would have happened to New Hope participants in the program's absence. In this case, such an assessment is based on the experiences of the control group.

Data Sources

New Hope's impacts on employment and income were assessed primarily by using data from administrative records. Earnings and employment outcomes were measured with unemployment insurance (UI) earnings records, which were available for all 745 Child and Family Study (CFS) sample members in the evaluation. Because these data are limited to quarterly

earnings reports, they do not cover many interesting details about sample members' employment experiences.⁹ Therefore, for impacts on hours of work, hourly wage rates, or month-to-month changes in employment status or the type of job held, the report relies on survey data. The five-year follow-up survey was completed by 561 survey sample members (75 percent of the CFS sample). In what follows, impacts on earnings, welfare, and income are estimated for the entire CFS sample of 745 families, while impacts on job characteristics are estimated for the survey sample of 561 families. To assess the extent to which the findings vary depending on the data sample used, an analysis of response bias was conducted. The results from this comparison are presented in Appendix C and show a few differences between the impacts for the CFS sample and the five-year survey sample. However, these discrepancies do not appear to have had significant consequences for the estimates of New Hope's program effects.

Earnings from employment were not the only income source available to New Hope sample members. Therefore, this evaluation obtained follow-up data from several other administrative sources, including the Wisconsin tax system (for information about the use of federal and state EITCs), the AFDC system (now replaced with Wisconsin Works, or W-2), food stamp databases, and the Medicaid system. For New Hope participants, these data are supplemented with various measures of program benefits, such as the earnings supplement, earnings from CSJs, and health and child care benefits — all collected from New Hope program administrators.

A key advantage of administrative data sources is that they enable the construction of longitudinal measures of employment, earnings, and public assistance receipt, showing how participants fared over time. However, a disadvantage is that administrative records do not cover all possible sources of household income. Most of these data are available only for one person in each household. This person, the "primary sample member," provided his or her Social Security number and other identifying information to New Hope at the time of application to the program.¹⁰ Although it is known that other household members often worked and contributed income to the primary sample members' households, there is no way of knowing exactly how much they worked and how much income they contributed to the household. Also, many income sources are not captured by the administrative data but may be very important to some households in the New Hope sample. Examples of such income sources include General Assistance, Supplemental Security Income (SSI), alimony or child support, child care subsidies outside New Hope, and financial help from family and friends. Thus, it is likely that continuous

⁹Administrative data also fail to capture earnings for sample members who move or work out of state and for those who are self-employed.

¹⁰A relatively small number of sample members provided a second Social Security number for another working member of the household. Information for this second person is included in the analysis, but it is not appropriate to aggregate income from both household members into a single measure. This is the case because Social Security numbers were not obtained for new household members and because it is unknown whether original household members left the household.

measures of household income underestimated the amount of income actually available to New Hope sample members. For individual families, such underestimates could be quite large. For example, Box 3.1 discusses how child care impacts may have occurred due to New Hope. However, this source of income is not included in administrative records and in the impacts presented in this chapter. Chapter 4 uses data from the survey to measure the program's impacts on total household income from all sources.

New Hope's Effects

This section presents New Hope's effects on employment, benefit receipt, and income. Before presenting the detailed results, Figures 3.2 through 3.4 summarize the program's effects over time on three key outcomes: employment, earnings, and total income. The leftmost area of Figure 3.2 shows that the program group looked very similar to the control group, in terms of employment, prior to entering the New Hope program.¹¹ The large difference in employment between the groups after random assignment shows that New Hope made employment more attractive and enabled program group members to find work. Employment for those in the program was fairly stable over the period, falling slightly, from 75 percent in Quarter 1 after random assignment to about 72 percent by Quarter 20. New Hope's effects on employment were largest in Quarters 1 through 6 and diminished thereafter. By Quarter 14, employment rates were similar for both groups. The effects on earnings show a similar pattern, with the earnings impacts being largest in the early quarters (Figure 3.3). However, earnings were still somewhat higher for the program group in the last two years of follow-up, even though the differences were not statistically significant.

Finally, Figure 3.4 presents New Hope's effects on total income in each follow-up year. Total income is the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and food stamps. Consistent with the impacts on earnings, the program's effects on total income were largest in Years 1 through 3, during which New Hope was still operating and providing earnings supplements. The program group continued to have higher income than the control group in Years 4 and 5, although the differences were not significant. As the subsequent tables show, the higher total income for the program group in the later years was due to higher earnings and EITC benefits, since the program had little effect on benefit receipt in Years 4 and 5.

¹¹Quarterly employment rates for the control group (Figure 3.2) show what would have happened in the absence of New Hope.

Box 3.1

New Hope Lessened Strains on Informal Social Relationships

Ethnographic studies of low-income families have clearly documented the significance of informal social ties (for example, family and friends) in helping make ends meet and in sustaining critical daily productive and reproductive activities.* For many families, it would simply be impossible to make financial ends meet or successfully accomplish many daily tasks without the support of informal social relationships. While these relationships generally offer support that costs less in financial terms than similar services might cost in the market, they do have other “costs” and must be carefully managed if they are to be reliable over time. The financial supports and benefits offered through New Hope helped many families better manage their resources and relieve some of the strain that might otherwise have burdened their informal sources of social support. The cases of Samantha and Alicia provide contrasting examples.

Samantha, an African-American single mother of four young children, was a member of the control group. When asked how New Hope might have helped had she been selected, Samantha described how she could have really used the child care and the wage supplement to help her sustain full-time employment and better make ends meet. In the absence of these supports, Samantha often relied on members of her social networks to help her with child care and emergency financial needs. For example, while working full time at a local video store, Samantha relied on her mother to watch her children. But this arrangement never seemed secure. Samantha worried that her mother “would go nuts” if she cared for all four children for too long a period of time. As a result, she was anxious to find another arrangement once the school year ended and her two oldest children would be home all day for the summer recess.

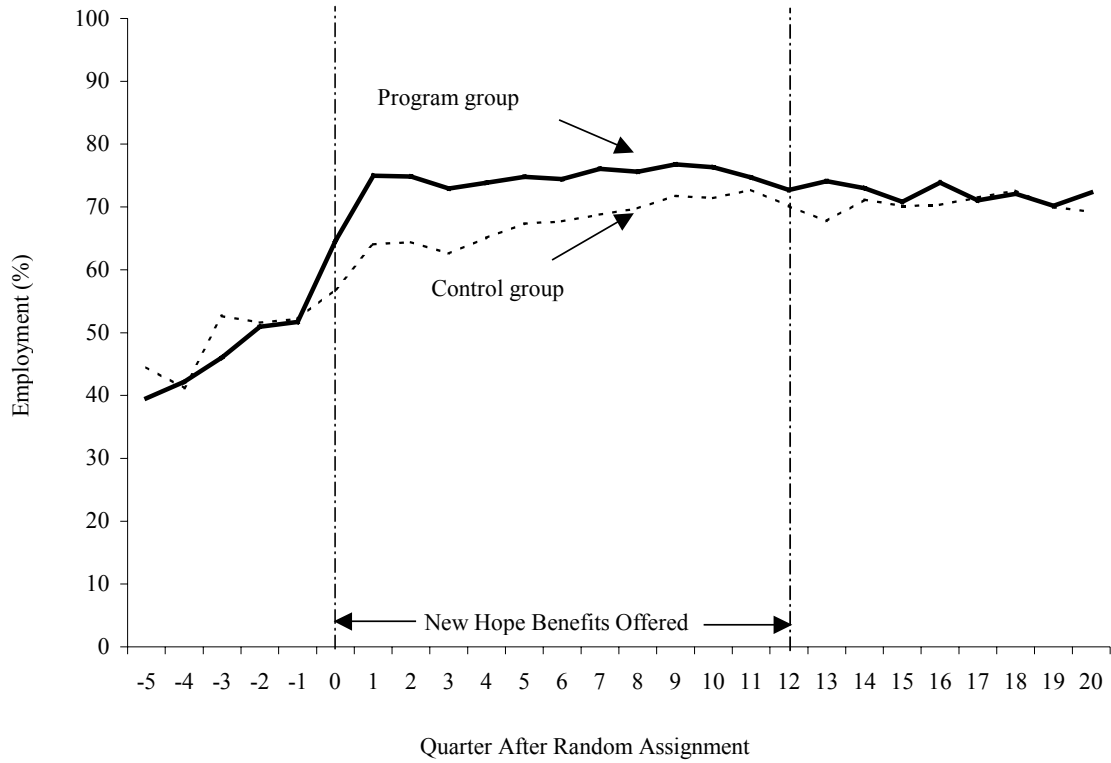
Moreover, when faced with occasional financial crises, Samantha felt that she could only really rely on a woman from her church. For example, when pregnant with her youngest child and in need of a new washing machine, Samantha borrowed about \$300 from this woman. Samantha was very careful to repay this woman, at the rate of \$50 a month, until the debt was paid off. She did not want “to mess up” with this friend. If she ever had another financial crisis, she wanted to be able to rely on this friend again.

On the other hand, Alicia, a married Latina mother of one and a member of the program group, described how support from New Hope helped her to not overburden her informal social support network. Alicia mainly used the health insurance benefit from New Hope, with only occasional use of the wage supplement and child care. The health insurance was a great benefit to her. She was able to save extra money from her job that would otherwise have been spent on health insurance, and the extra money afforded her a greater degree of comfort in meeting her financial needs from month to month. New Hope also helped Alicia to better negotiate community resources. She found English language classes, workshops on employment and asset development, and occasional child care for her daughter particularly helpful. Alicia found a great deal of support from these community services, and she preferred this to relying on members of her informal social network for support. Alicia believed that her informal social supports were stronger (because they were not overused, with the accompanying expectations on her as well) than they would have been without New Hope’s support.

Samantha and Alicia described family circumstances in which New Hope helped (or could have helped, in Samantha’s case) indirectly, through ripple effects on other aspects of their work lives, household economy, and social support networks. This was a common kind of benefit of New Hope’s strategy of offering a suite of benefits from which families could choose.

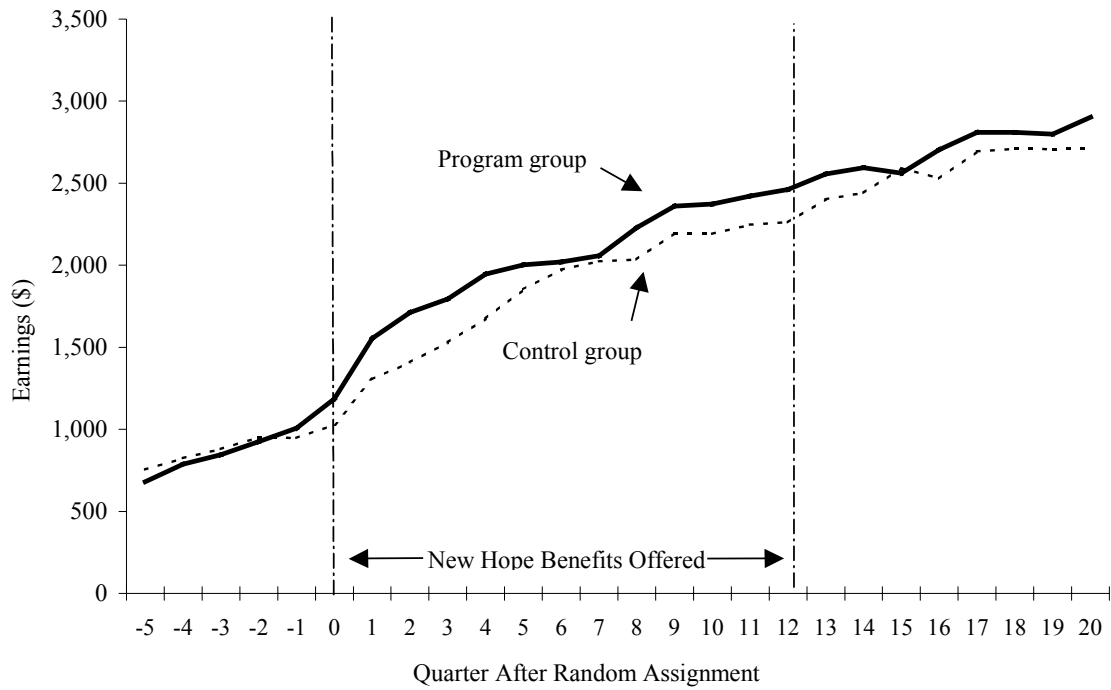
*Stack, 1974; Edin and Lein, 1997; Newman, 2000.

The New Hope Project
Figure 3.2
Quarterly Employment, by Research Group



SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

The New Hope Project
Figure 3.3
Quarterly Earnings, by Research Group

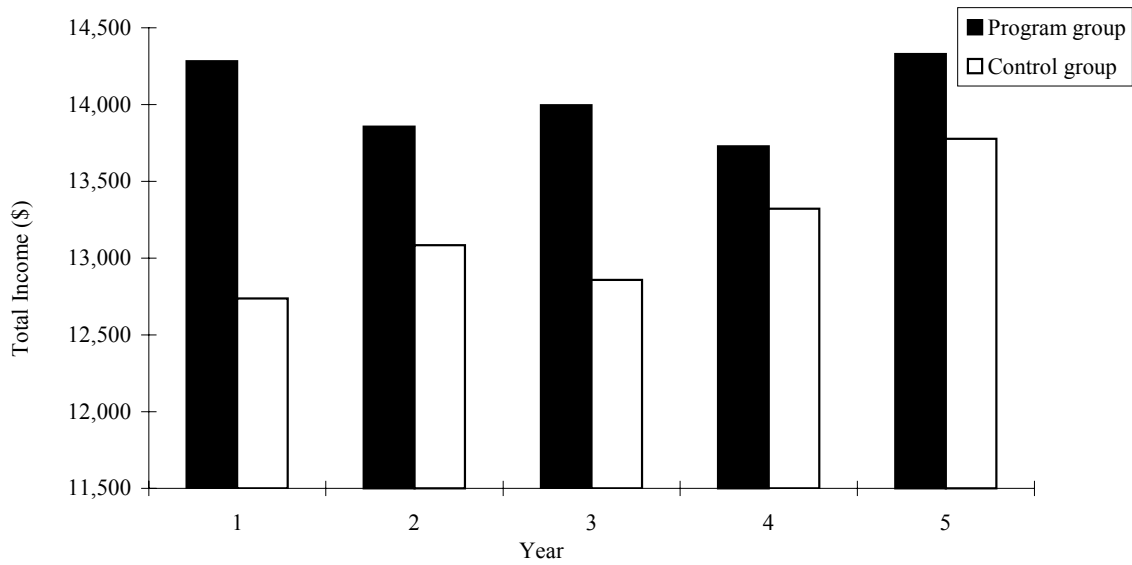


SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

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Figure 3.4

Total Income Over the Five-Year Period, by Research Group



SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin Department of Workforce Development, AFDC, and Food Stamp Program records.

NOTE: Total income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and food stamps.

Effects on Employment and Earnings

Table 3.1 presents New Hope's effects on summary measures of employment, earnings, and earnings-related income.¹² The table presents the annual average of employment and earnings during Years 1 to 5 and the average over the entire five-year period.

New Hope significantly increased the proportion of individuals employed in the first two years of the program. Employment among New Hope participants was 8.2 percent and 7.3 percent higher than control group employment in Year 1 and Year 2, respectively. However, the proportion of individuals employed each year began to decline in Year 3. In that year, 84 per-

¹²Box 2.3 in Chapter 2 presents instructions on reading an impact table.

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Table 3.1

**Impacts on Employment, Earnings, and Earnings-Related Income
Over Five Years**

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a
Ever employed (%)						
Year 1	90.1	81.9	8.2 ***	0.001	10.0	0.23
Year 2	90.0	82.7	7.3 ***	0.003	8.9	0.21
Year 3	84.0	82.0	2.0	0.464	2.4	0.05
Year 4	83.2	80.6	2.6	0.345	3.2	0.07
Year 5	81.1	80.0	1.2	0.681	1.5	0.03
Years 1 to 5 (annual average)	97.2	94.8	2.5 *	0.080	2.6	0.13
Average annual number of quarters employed per year						
Year 1	3.0	2.6	0.4 ***	<.0001	15.8	0.27
Year 2	3.0	2.7	0.3 ***	0.010	10.0	0.18
Year 3	3.0	2.9	0.1	0.187	5.1	0.09
Year 4	2.9	2.8	0.1	0.274	4.4	0.08
Year 5	2.9	2.8	0.0	0.841	0.8	0.01
Years 1 to 5 (annual average)	3.0	2.8	0.2 **	0.022	7.0	0.16
Average annual earnings (\$)						
Year 1	7,007	5,919	1,088 ***	0.003	18.4	0.17
Year 2	8,310	7,886	424	0.368	5.4	0.06
Year 3	9,617	8,897	720	0.194	8.1	0.09
Year 4	10,417	9,966	451	0.471	4.5	0.05
Year 5	11,324	10,824	500	0.466	4.6	0.05
Years 1 to 5 (annual average)	9,335	8,698	637	0.159	7.3	0.09
Average annual earnings-related income (earnings, EITC, and supplement) (\$)						
Year 1	8,558	6,943	1,615 ***	<.0001	23.3	0.24
Year 2	10,169	9,200	969 *	0.057	10.5	0.12
Year 3	11,799	10,404	1,395 **	0.018	13.4	0.16
Year 4	12,017	11,504	513	0.434	4.5	0.05
Year 5	12,924	12,309	614	0.390	5.0	0.06
Years 1 to 5 (annual average)	11,093	10,072	1,021 **	0.033	10.1	0.14
Sample size	366	379				

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

^aThe effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire sample, even if the table shows impacts for subgroups.

cent of program group members were employed, compared with 82 percent of control group members — an insignificant difference of 2 percent. While Figure 3.2 and the top panel of Table 3.1 show that employment among both the program group and the control group declined, the table reveals a steeper decline in employment among program group members after Year 3.

Consistent with Figure 3.2, the impacts on the average number of quarters employed were largest in Years 1 and 2; the program group worked an average of three quarters per year during the first two years, compared with slightly less than three quarters for the control group. These differences disappeared in Year 3, the last year of the program. Over the entire five-year period, however, the difference in the number of quarters employed per year was statistically significant, with New Hope participants working more quarters than their control group counterparts.

Employment and earnings for the New Hope group include community service jobs (CSJs), or jobs available to people who wanted full-time employment but were unable to find it on their own. Analysis presented in the two-year report suggests that the CSJs accounted for a substantial part of New Hope’s employment effects. However, the effects of CSJs cannot be separated from the effects of other New Hope components, because there was no group in the study that had access to New Hope’s financial incentives and work supports but not to the CSJ component. In other words, since all New Hope program group members could use all parts of the program, there is no valid measure of what CSJ users would have done in the absence of this program component. However, nonexperimental comparisons can be made among program group members who did and did not participate in CSJs (see Box 3.2).

The middle rows of Table 3.1 show that New Hope’s impacts on average annual earnings were large in the first year but faded over the remaining period. For example, in the first year, average annual earnings were 18 percent higher for the program group — or \$7,007, compared with \$5,919. Although earnings increased over time for both groups, the program group did not match the jump in earnings experienced by the control group in Year 2 and later periods. As a result, the earnings differences for Years 2 through 5 were smaller and not statistically significant.

The bottom rows of Table 3.1 show impacts on earnings-related income (that is, the sum of earnings, EITC benefits, and the New Hope supplement). New Hope’s impacts were positive and significant for the first three years of the program, increasing earnings-related income by 10.5 percent to 23.3 percent each year. The differences were still positive across Years 4 and 5 but were not statistically significant at conventional levels. This suggests that the New Hope supplement may not provide long-term impacts on employment-related income if it is implemented with a stop-point, as in this demonstration.¹³ However, the average impact on

¹³The original design of New Hope was intended to extend supplemental payments indefinitely.

Box 3.2

Community Service Jobs Led to Stable Employment for Some New Hope Participants but Not for Others

Community service jobs (CSJs) offered some of the participants in the New Hope Ethnographic Study little more than a chance to accumulate enough work hours to be able to use New Hope's benefits, and these participants often cycled between several CSJs while enrolled in New Hope. For many other families, a CSJ position helped participants to find a better employment pathway and even to secure long-term, stable employment and wage growth.

For example, Anne, an African-American single mother of two elementary-school-aged children, worked at three different CSJs over the course of enrollment in New Hope. Her first placement was at Goodwill Industries. This CSJ involved a half-day of training and a half-day of factory work with the disabled. Anne enjoyed working with and talking with the disabled people who worked there, but she really disliked the training. It was supposed to last only three or four months, but because a teacher quit halfway through, the program had to hire another teacher, and the training ended up lasting six months. According to Anne, the new teacher was not very good; this person "just sat there and ate" but did not really teach much. The course was supposed to teach basic skills, and Anne felt that it was geared more toward people who wanted a General Educational Development (GED) certificate, not high school graduates like herself. Anne's second CSJ placement was at a daycare center. She did not like this placement because her coworkers seemed unhappy: "I think that people should like their work. The people there would just sit around and complain about how long it was until they would get off. Then when the kid's parents came around, they put on this big act." She quit the placement. Her third CSJ was at a nonprofit organization downtown that worked with people who have been arrested. Her duties included reception and escorting people from prison to the office. She liked these duties for the most part (she did not like going to the prison, because it smelled bad). While this placement did not become permanent, it did help her to realize what sort of work environment she preferred. She liked the professional atmosphere of what she called a "downtown job." Some of the counselors at this job impressed her as role models. She said: "They were my age, or some were even younger, but they all had their bachelor's degree and this job. They seemed very comfortable [financially]." For the few years after New Hope ended, Anne worked several jobs in professional offices as either a secretary or an administrative assistant. Her earnings did increase while she was enrolled in New Hope — from nearly \$3,000 in the first year to just over \$6,100 in her final year of eligibility. However, by the fifth year, her earnings had drifted down to about \$4,600. Thus, while the third CSJ placement gave Anne a better idea of the kind of work she preferred, she was unable to find stable employment or wage growth during and after her involvement with New Hope.

L'Kesha, an African-American woman aged 28, was featured in the two-year New Hope report. Her CSJ placement in a shelter for homeless men turned into a full-time regular position that was stable for the duration of the New Hope program and the ethnographic visits that followed. Prior to enrolling in New Hope, L'Kesha was receiving AFDC, had no employment experience, had not finished high school or received her GED, and had three small children to care for. The CSJ at the shelter afforded her the opportunity to learn valuable skills like typing and knowledge of office software on the computer. After becoming a regular employee, she received benefits and was promoted a couple of times over the course of several years. L'Kesha's earnings increased sharply during this period, from just over \$3,800 in her first year of New Hope to more than \$14,600 five years after her enrollment.

earnings-related income over the five-year period was large (\$1,021, or 10 percent) and statistically significant.

Effects on Benefit Receipt

Table 3.2 documents program effects on welfare receipt, food stamp receipt, and total income. While the percentage of program group members who received welfare (that is, AFDC or W-2) declined dramatically over time, New Hope had no effect on benefit usage. In other words, welfare receipt declined dramatically over the study period for both groups. The table also shows that New Hope had no significant effects on the dollar amount of welfare or food stamp receipt. For example, in the first year, average annual welfare benefits received were \$3,496 for the program group and \$3,583 for the control group. By Year 5, these numbers had fallen to \$476 and \$466, respectively. The implementation of W-2 may have influenced the behavior of both program group and control group members, by making it more difficult and less desirable to remain on the welfare rolls.

Effects on Total Income

The next panels of Table 3.2 present impacts on total income and poverty. Total income includes earnings, EITC benefits, the New Hope supplement, welfare, and food stamps. New Hope increased average annual total income during the entire follow-up period by about 7 percent, or \$883 (\$14,039 for the program group, compared with \$13,156 for the control group). As with the impacts on earnings-related income, most of the impacts on total income occurred during Years 1 through 3, or while the program was still in effect. The impacts in Years 4 and 5 remained positive but were not statistically significant. Box 3.3 discusses the relative contribution of each factor of income to the increase over the entire period.

Poverty rates are calculated by comparing annual income for each family with the poverty line appropriate for that family's size. The last rows of Table 3.2 show a measure of "severe" poverty, defined as income below 50 percent of the poverty line. Note that since this measure of poverty is based on income that is calculated from administrative records and does not include other sources of household income (such as other benefits and the earnings of other adults), it is not directly comparable to the official poverty rate. New Hope substantially reduced poverty over the entire follow-up period, and the effects were equally strong in both the early and the later periods. Over the entire period, for example, 52.7 percent of the program group had incomes below the poverty line, compared with 66.3 percent of the control group. New Hope also significantly reduced severe poverty in Years 1 and 2, which translated to a reduction over the entire period. For example, over the entire period, 13 percent of the program group experienced incomes below 50 percent of the poverty line, compared with almost 20 percent of the control group — a significant impact of nearly 7 percent.

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Table 3.2

Impacts on Benefit Receipt and Total Income Over Five Years^a

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^b
Ever received AFDC/TANF (%)						
Year 1	81.9	81.6	0.3	0.899	0.3	0.01
Year 2	58.4	61.9	-3.5	0.270	-5.6	-0.07
Year 3	34.0	36.3	-2.3	0.494	-6.3	-0.05
Year 4	18.8	19.3	-0.6	0.842	-2.9	-0.01
Year 5	13.7	15.0	-1.3	0.616	-8.4	-0.04
Years 1 to 5 (annual average)	83.8	84.8	-1.1	0.603	-1.2	-0.03
Average annual amount of AFDC/TANF received (\$)						
Year 1	3,496	3,583	-87	0.576	-2.4	-0.03
Year 2	1,976	2,215	-240	0.152	-10.8	-0.10
Year 3	977	1,116	-139	0.316	-12.5	-0.07
Year 4	659	670	-11	0.930	-1.6	-0.01
Year 5	476	466	10	0.922	2.2	0.01
Years 1 to 5 (annual average)	1,517	1,610	-93	0.328	-5.8	-0.06
Average annual amount of food stamps received (\$)						
Year 1	2,229	2,211	18	0.839	0.8	0.01
Year 2	1,711	1,669	42	0.681	2.5	0.03
Year 3	1,221	1,338	-117	0.284	-8.7	-0.07
Year 4	1,053	1,148	-95	0.376	-8.3	-0.06
Year 5	929	1,002	-72	0.468	-7.2	-0.05
Years 1 to 5 (annual average)	1,429	1,474	-45	0.557	-3.0	-0.04
Average annual total income ^a (\$)						
Year 1	14,283	12,737	1,546 ***	<.0001	12.1	0.25
Year 2	13,856	13,084	772	0.115	5.9	0.11
Year 3	13,997	12,858	1,139 **	0.049	8.9	0.14
Year 4	13,729	13,322	407	0.524	3.1	0.05
Year 5	14,329	13,777	552	0.430	4.0	0.06
Years 1 to 5 (annual average)	14,039	13,156	883 *	0.058	6.7	0.13
Total income below the poverty standard ^c (%)						
Year 1	52.7	70.2	-17.5 ***	<.0001	-24.9	-0.36
Year 2	53.0	62.5	-9.5 **	0.021	-15.2	-0.19
Year 3	50.9	65.6	-14.7 ***	0.000	-22.4	-0.30
Year 4	53.8	62.4	-8.6 **	0.038	-13.7	-0.17
Year 5	52.2	60.1	-7.9 *	0.055	-13.2	-0.16
Years 1 to 5 (annual average)	52.7	66.3	-13.5 ***	0.001	-20.4	-0.28

(continued)

Table 3.2 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^b
Total income below 50% of poverty standard ^c (%)						
Year 1	11.8	18.2	-6.4 **	0.030	-35.3	-0.18
Year 2	15.0	23.3	-8.3 **	0.012	-35.7	-0.21
Year 3	21.2	22.3	-1.1	0.750	-5.0	-0.03
Year 4	20.9	26.8	-5.9	0.104	-22.0	-0.14
Year 5	22.9	28.3	-5.4	0.148	-19.2	-0.12
Years 1 to 5 (annual average)	13.0	19.9	-6.9 **	0.028	-34.8	-0.2
Sample size	366	379				

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin Department of Workforce Development AFDC and Food Stamp records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

^aTotal income is calculated as the sum of earnings, EITC benefits, New Hope supplements, welfare benefits, and food stamps.

^bThe effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

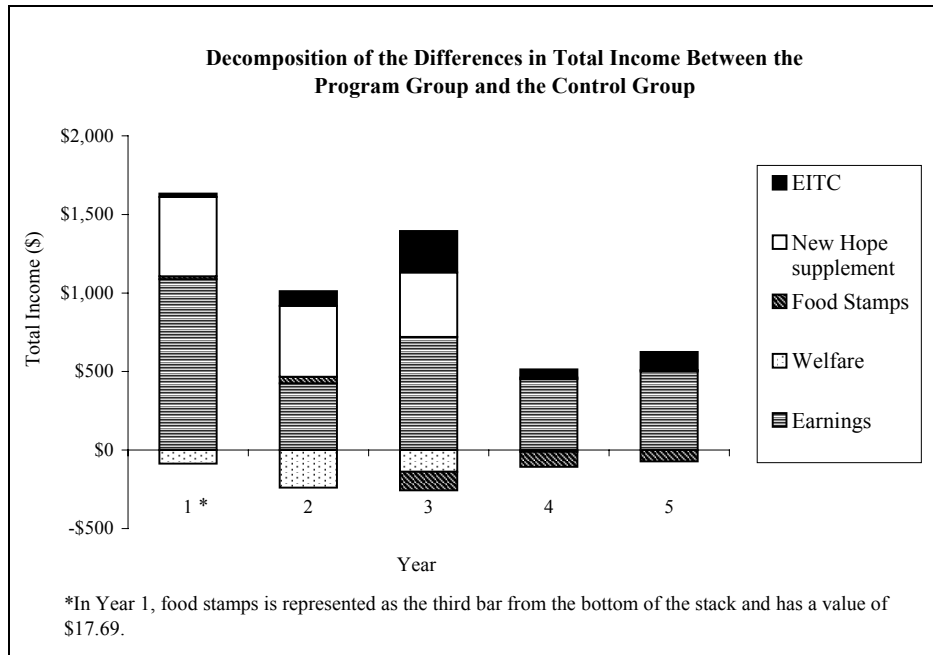
^cPoverty measures are based on income that is calculated from administrative records and does not include other sources of household income. Measures are not directly comparable to the official poverty rate.

Box 3.3

What Is the Primary Cause for the Increase in Total Income?

Total income is calculated as the sum of earnings, Earned Income Tax Credits (EITCs), New Hope supplements, welfare benefits, and food stamps. The decomposition of the impacts on total income over the five-year period is shown in the accompanying figure. The figure and Table 3.1 confirm that the increase in total income in Year 1 appears to be primarily due to higher earnings among the program group. While there is no significant impact on total income in Year 2, the figure shows that the New Hope supplement became the largest contributor, consistent with the earnings-related income reported in the bottom panel of Table 3.1. In Year 3, the increase in total income appears to be driven by the significant increase in EITC benefits among the program group. By Year 4 — when the New Hope program was no longer in effect — earnings, EITC benefits, welfare benefits, and food stamp benefits were similar between the program group and the control group. This implies that New Hope increased total income through a variety of factors, not simply through its earnings supplement.

The figure also reflects the increase in income for the control group over time, as shown in the tables. For example, in Year 1, New Hope program group members experienced a significant difference in total income of approximately \$1,546. The control group earnings increased markedly in Year 2 (as indicated by the decline in the earnings impact in the figure and in Table 3.1), resulting in similar total income levels for both the program group and the control group. In fact, while earnings impacts were generally positive throughout the period, they were significantly higher only in the first year. This is illustrative of how the good economy and the work requirements under W-2 may have combined to increase employment among the low-income population in Wisconsin.



These large impacts on poverty may seem surprising, given the moderate increase in total income, particularly in the last three years. However, separate analyses (not shown) suggest that the decline in poverty stemmed in part from the fact that New Hope reduced the number of families with very low incomes. For example, New Hope significantly reduced the number of families with incomes between \$7,000 and \$11,000 — by 6 percent (not shown). Impacts such as these, on the distribution of income, do not always show up in a comparison of average incomes.

Effects on Other Employment Outcomes

Table 3.3 presents impacts on other aspects of employment, including employment stability, wages, hours, and job benefits. The first two rows show that New Hope increased stable employment. Program group members were more likely to go to work during Year 1, and, among those who did, a large proportion stayed employed consistently. In other words, of the 8.2 percentage point increase in employment in Year 1, 6.9 percentage points of it was stable employment. Stable employment provides people with a better chance of attaining economic security in future years than does sporadic employment.

Despite the good news on employment stability and total income reported earlier, the data still show a fair amount of job loss. Only about 63 percent of program group and control group members reported that they were working full time as of the five-year survey interview. This is consistent with the overall decline in employment reported in the top panel of Table 3.1. These differences suggest that full employment may have been difficult to find in Milwaukee.

The next several rows of Table 3.3 present data on wages and hours worked.¹⁴ One result of the increase in stable employment may have been an increase in wages for the program group. Program group members were more likely to have wages (in their current or most recent job as of the five-year survey) that exceeded \$11 per hour — a difference of 6.6 percentage points. There were no significant differences between the program group and control groups in hours worked or in benefits offered at their most recent job.

Employment Impacts for Subgroups

As shown in many previous evaluations, including New Hope's two-year evaluation, programs often have different effects for different subgroups within the sample. In fact, small impacts for the sample overall can often mask large impacts for particular subgroups, defined,

¹⁴Each of these outcomes is calculated over the full sample, in order to preserve the experimental comparison. Thus, the percentages for hours worked do not sum to 100 percent but instead to the percentage of the sample who worked at some point during the fifth year.

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Table 3.3

Impacts on Job Characteristics Five Years After Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a
Employment stability ^b (%)						
Worked in Year 1	90.1	81.9	8.2 ***	0.001	10.0	0.23
And worked more than 12 consecutive quarters	43.4	36.5	6.9 **	0.047	18.8	0.14
Worked full time at 60-month survey (%)	63.4	63.3	0.1	0.977	0.2	0.00
Hourly wage at most recent job (%)						
Worked in Year 5 and hourly wage						
Less than \$7 per hour	16.6	15.0	1.6	0.613	10.7	0.04
Between \$7 and \$9 per hour	24.5	27.7	-3.2	0.408	-11.5	-0.07
Between \$9 and \$11 per hour	24.4	29.9	-5.5	0.158	-18.4	-0.12
More than \$11 per hour	26.6	20.0	6.6 *	0.065	33.2	0.16
Hours worked per week, at most recent job ^c (%)						
Less than 30	12.2	12.0	0.2	0.944	1.7	0.01
30 to 45	67.5	71.7	-4.2	0.294	-5.8	-0.09
More than 45	12.8	8.9	3.9	0.146	43.5	0.12
Benefits offered at most recent job (%)						
Sick days	52.2	59.0	-6.8	0.109	-11.6	-0.14
Paid vacation	63.9	66.0	-2.1	0.607	-3.2	-0.04
Health insurance	64.4	67.6	-3.1	0.444	-4.7	-0.07
Pension	50.6	55.3	-4.6	0.279	-8.4	-0.09
Sample size	281	276				

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and five-year survey.

NOTES: The information on job characteristics is only available for the 60-month survey.

A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

^aThe effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bEmployment stability is calculated for the entire CFS sample (total = 745).

^cEach of these outcomes is calculated over the entire sample, in order to preserve the experimental comparison. Thus, the percentages for hours worked do not sum to 100 percent but, instead, to the percentage of the sample who worked at some point during the fifth year.

for example, by education level or employment status. This section presents New Hope's effects on summary measures of employment and earnings for several key subgroups.

Effects by Employment Status at Random Assignment

The New Hope treatment was viewed very differently by sample members who were already employed full time at random assignment than by members who had to increase their work effort to meet the 30 hours of work per week that were required in order to qualify for New Hope benefits. In the two-year evaluation, the impacts on employment and income were different for those who were employed full time at baseline and those who were not.

The first two panels of Table 3.4 report employment and earnings impacts by employment status at random assignment. Consistent with findings from the two-year report, the second panel shows that New Hope increased employment in the first year among people who were not employed full time at random assignment.¹⁵ In the first year, for example, the program group worked an average of 2.7 quarters each year, compared with 2.2 quarters for the control group. Among those not employed full time at baseline, earnings for the program group were higher in Year 1, by 28 percent.¹⁶ In contrast, the program had few significant effects for the group employed full time at baseline. An interesting pattern is that employment (measured by quarters employed per year) actually fell somewhat for the groups employed full time at baseline, for both the program and the control groups. The rightmost column of the table presents the p-value for a test of whether the impacts for each subgroup were significantly different, that is, whether the impact on employment in Year 1 for those employed full time at baseline was significantly different from the corresponding impact for those not employed full time at baseline. As the numbers indicate, the only statistically significant difference in impacts was for employment in Year 1.

Although not shown in the table, the impacts on employment stability and hourly wages were also concentrated among the sample that was not fully employed at random assignment. New Hope increased stable employment for this group and also increased the number of people earning wages above \$11 per hour. As mentioned, the higher wages earned by the program

¹⁵The rightmost column of Table 3.4 shows the results of a test that assesses whether the variation in impacts across the subgroups shown was statistically significant. In other words, was the effect on employment for those employed full time at random assignment significantly larger than the impact for those who were not employed full time? The p-value of 0.014 for this outcome indicates that there was a 1.4 percent chance that the 2.7 percent gain for those employed full time and the 25.3 percent gain for those not employed full time were really the same impact. That is, the program truly had a differential impact. The inclusion of daggers indicates a significant difference, while a lack of daggers indicates that both subgroups experienced essentially the same impact on this outcome.

¹⁶However, this impact does not significantly differ by employment status at baseline, as indicated by the p-value in the rightmost column of the table.

The New Hope Project

Table 3.4

Impacts on Employment and Earnings Over Five Years for Selected Subgroups

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a	P-Value for Difference Across Panels ^b
<u>Employed full time at baseline</u>							
Average annual number of quarters employed per year							
Year 1	3.5	3.4	0.1	0.505	2.7	0.06	0.014 ††
Year 2	3.5	3.3	0.1	0.461	3.5	0.08	0.276
Year 3	3.3	3.3	0.1	0.785	1.5	0.03	0.576
Year 4	3.2	3.1	0.1	0.664	2.7	0.05	0.778
Year 5	3.0	3.1	-0.1	0.583	-3.7	-0.07	0.420
Years 1 to 5 (annual average)	3.3	3.3	0.0	0.750	1.4	0.04	0.220
Average annual earnings (\$)							
Year 1	10,850	10,035	815	0.267	8.1	0.13	0.668
Year 2	11,620	11,355	265	0.767	2.3	0.04	0.846
Year 3	12,300	11,953	347	0.745	2.9	0.04	0.665
Year 4	13,368	13,307	61	0.961	0.5	0.01	0.670
Year 5	14,325	14,247	78	0.955	0.6	0.01	0.665
Years 1 to 5 (annual average)	12,493	12,179	313	0.726	2.6	0.05	0.642
Sample size	112	110					
<u>Not employed full time at baseline</u>							
Average annual number of quarters employed per year							
Year 1	2.7	2.2	0.6 ***	<.0001	25.3	0.37	
Year 2	2.8	2.5	0.3 **	0.013	13.7	0.23	
Year 3	2.9	2.7	0.2	0.195	6.6	0.12	
Year 4	2.8	2.7	0.2	0.276	5.8	0.10	
Year 5	2.8	2.7	0.1	0.531	3.3	0.05	
Years 1 to 5 (annual average)	2.8	2.5	0.3 **	0.013	10.3	0.21	
Average annual earnings (\$)							
Year 1	5,369	4,194	1,175 ***	0.005	28.0	0.19	
Year 2	6,904	6,435	470	0.402	7.3	0.06	
Year 3	8,497	7,607	890	0.174	11.7	0.11	
Year 4	9,208	8,536	672	0.356	7.9	0.08	
Year 5	10,112	9,346	765	0.335	8.2	0.08	
Years 1 to 5 (annual average)	8,018	7,223	794	0.130	11.0	0.12	
Sample size	254	268					

(continued)

Table 3.4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a	P-Value for Difference Across Panels ^b
<u>No potential barriers^c</u>							
Average annual number of quarters employed per year							
Year 1	3.0	2.9	0.2	0.389	5.3	0.10	0.190
Year 2	3.1	3.1	0.0	0.832	1.3	0.03	0.276
Year 3	3.1	3.0	0.1	0.549	4.4	0.08	0.323
Year 4	2.9	2.9	0.0	1.000	0.0	0.00	0.457
Year 5	2.9	2.9	0.0	0.826	1.7	0.03	0.407
Years 1 to 5 (annual average)	3.0	2.9	0.1	0.651	2.5	0.06	0.415
Average annual earnings (\$)							
Year 1	7,766	7,660	106	0.880	1.4	0.02	0.072 †
Year 2	8,892	9,725	-833	0.351	-8.6	-0.11	0.040 ††
Year 3	10,510	10,128	382	0.729	3.8	0.05	0.008 †††
Year 4	11,310	11,040	269	0.831	2.4	0.03	0.098 †
Year 5	11,821	11,748	73	0.958	0.6	0.01	0.117
Years 1 to 5 (annual average)	10,060	10,060	-1	1.000	0.0	0.00	0.019 ††
Sample size	108	104					
<u>One potential barrier^c</u>							
Average annual number of quarters employed per year							
Year 1	3.0	2.6	0.4 **	0.014	15.2	0.26	
Year 2	3.1	2.7	0.4 ***	0.008	16.4	0.29	
Year 3	3.2	2.9	0.3 *	0.085	10.1	0.19	
Year 4	3.1	2.8	0.3 *	0.085	10.9	0.19	
Year 5	2.9	2.7	0.2	0.284	7.2	0.12	
Years 1 to 5 (annual average)	3.0	2.7	0.3 **	0.015	11.9	0.26	
Average annual earnings (\$)							
Year 1	7,801	5,747	2,054 ***	0.001	35.7	0.33	
Year 2	9,545	7,775	1,770 **	0.019	22.8	0.24	
Year 3	11,014	8,670	2,345 ***	0.007	27.0	0.30	
Year 4	11,513	9,736	1,777 *	0.066	18.3	0.20	
Year 5	12,706	10,675	2,032 *	0.057	19.0	0.21	
Years 1 to 5 (annual average)	10,516	8,520	1,996 ***	0.005	23.4	0.29	
Sample size	161	157					

(continued)

Table 3.4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a	P-Value for Difference Across Panels ^b
<u>Two potential barriers or more^c</u>							
Average annual number of quarters employed per year							
Year 1	2.9	2.3	0.6 ***	0.001	27.9	0.42	
Year 2	2.7	2.5	0.2	0.324	8.6	0.14	
Year 3	2.7	2.8	-0.1	0.554	-4.8	-0.09	
Year 4	2.8	2.8	0.0	0.946	0.6	0.01	
Year 5	2.7	2.9	-0.2	0.397	-6.4	-0.12	
Years 1 to 5 (annual average)	2.8	2.7	0.1	0.510	4.1	0.09	
Average annual earnings (\$)							
Year 1	5,016	4,521	496	0.425	11.0	0.08	
Year 2	5,802	6,342	-540	0.523	-8.5	-0.07	
Year 3	6,452	8,227	-1,776 *	0.081	-21.6	-0.22	
Year 4	7,860	9,302	-1,441	0.209	-15.5	-0.16	
Year 5	8,825	10,098	-1,273	0.298	-12.6	-0.13	
Years 1 to 5 (annual average)	6,791	7,698	-907	0.265	-11.8	-0.13	
Sample size	97	118					
<u>AFDC/W-2 or food stamp recipients</u>							
Average annual number of quarters employed per year							
Year 1	2.8	2.3	0.5 ***	<.0001	24.4	0.37	0.029 ††
Year 2	2.9	2.5	0.4 ***	0.004	15.2	0.26	0.283
Year 3	2.9	2.8	0.2	0.156	7.0	0.12	0.649
Year 4	2.9	2.7	0.2	0.170	7.1	0.12	0.562
Year 5	2.8	2.8	0.0	0.735	1.7	0.03	0.981
Years 1 to 5 (annual average)	2.9	2.6	0.3 ***	0.009	10.5	0.22	0.319
Average annual earnings (\$)							
Year 1	5,767	4,449	1,318 ***	0.002	29.6	0.21	0.465
Year 2	7,064	6,420	644	0.218	10.0	0.09	0.850
Year 3	8,625	7,506	1,119 *	0.068	14.9	0.14	0.535
Year 4	9,315	8,655	661	0.346	7.6	0.07	0.880
Year 5	10,480	9,753	727	0.355	7.5	0.07	0.894
Years 1 to 5 (annual average)	8,250	7,357	894 *	0.073	12.1	0.13	0.701
Sample size	255	262					

(continued)

Table 3.4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a	P-Value for Difference Across Panels ^b
<u>African-American, non-Hispanic</u>							
Average annual number of quarters employed per year							
Year 1	3.1	2.6	0.5 ***	0.001	17.5	0.31	0.985
Year 2	3.0	2.8	0.3 **	0.037	10.4	0.19	0.428
Year 3	2.9	3.0	-0.1	0.504	-3.3	-0.06	0.005 †††
Year 4	2.9	2.9	0.0	0.960	-0.3	0.00	0.123
Year 5	2.8	2.9	-0.1	0.528	-3.4	-0.06	0.151
Years 1 to 5 (annual average)	2.9	2.8	0.1	0.341	3.8	0.09	0.092 †
Average annual earnings (\$)							
Year 1	7,248	5,813	1,435 ***	0.003	24.7	0.23	0.133
Year 2	8,222	7,635	587	0.334	7.7	0.08	0.684
Year 3	9,321	8,930	391	0.587	4.4	0.05	0.169
Year 4	10,036	9,995	42	0.959	0.4	0.00	0.120
Year 5	11,229	10,880	349	0.705	3.2	0.04	0.282
Years 1 to 5 (annual average)	9,211	8,651	561	0.341	6.5	0.08	0.158
Sample size	210	200					
<u>Hispanic</u>							
Average annual number of quarters employed per year							
Year 1	2.9	2.5	0.4 **	0.035	17.1	0.28	
Year 2	3.1	2.6	0.5 **	0.011	21.4	0.36	
Year 3	3.2	2.4	0.8 ***	0.001	31.9	0.50	
Year 4	3.0	2.4	0.5 **	0.021	22.0	0.33	
Year 5	2.9	2.5	0.4 *	0.084	16.2	0.25	
Years 1 to 5 (annual average)	3.0	2.5	0.5 ***	0.002	21.7	0.43	
Average annual earnings (\$)							
Year 1	7,643	5,816	1,827 **	0.015	31.4	0.29	
Year 2	9,298	8,112	1,187	0.219	14.6	0.16	
Year 3	10,838	8,236	2,602 **	0.025	31.6	0.32	
Year 4	11,735	8,930	2,805 **	0.031	31.4	0.31	
Year 5	12,621	10,184	2,437 *	0.079	23.9	0.25	
Years 1 to 5 (annual average)	10,427	8,256	2,171 **	0.020	26.3	0.31	
Sample size	102	116					

(continued)

Table 3.4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size ^a	P-Value for Difference Across Panels ^b
<u>White, non-Hispanic</u>							
Average annual number of quarters employed per year							
Year 1	2.8	2.4	0.4	0.149	18.0	0.29	
Year 2	3.0	2.9	0.1	0.773	3.2	0.06	
Year 3	3.2	3.0	0.2	0.599	5.0	0.10	
Year 4	3.1	3.1	0.0	0.914	-1.1	-0.02	
Year 5	2.9	3.1	-0.2	0.532	-6.6	-0.13	
Years 1 to 5 (annual average)	3.0	2.9	0.1	0.710	3.0	0.07	
Average annual earnings (\$)							
Year 1	5,971	6,707	-737	0.503	-11.0	-0.12	
Year 2	7,848	8,186	-338	0.822	-4.1	-0.05	
Year 3	9,073	9,732	-660	0.691	-6.8	-0.08	
Year 4	10,533	11,636	-1,103	0.551	-9.5	-0.12	
Year 5	10,504	11,500	-996	0.600	-8.7	-0.10	
Years 1 to 5 (annual average)	8,786	9,552	-767	0.577	-8.0	-0.11	
Sample size	39	54					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Rounding may cause slight discrepancies in sums and differences.

^aThe effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

^cPotential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

group may reflect the fact that more of them worked steadily during the period (as indicated by the impacts on stable employment).

Effects by Number of Barriers to Employment

When local ethnographers interviewed New Hope participants and project staff, they uncovered significant variation in participants' potential barriers to working full time and taking advantage of the New Hope offer.¹⁷ On the basis of their observations, five potential barriers were identified: low level of education, responsibility for young children, an arrest record, lack of recent job experience, and having been fired from one's last job. Sample members were divided into three groups. The first group had none of the identified potential barriers to employment. They were likely to be most ready to engage in full-time employment, so they may have needed relatively little assistance. Although they may have been helped by the New Hope Project, the resources available to the control group may have been sufficient to increase their employment as well, thereby limiting the program's potential effects on employment outcomes for the group without any potential barriers.

The second group had one identified potential employment barrier that might be addressed by the New Hope program. For example, this group includes families with several young children, for whom child care expense could have been a barrier to be addressed by the child care subsidy. Sample members who had been fired, who had no recent work experience, who had an arrest record, or who lacked a high school credential might benefit from a CSJ to establish a work history. For this group, the New Hope offer might have been the "missing piece" needed to change their fortunes in the labor market. A third group, with multiple potential barriers, might also have benefited from New Hope, but it would include sample members who had more serious impediments to employment and who needed an intervention more intensive than the one offered by New Hope.

Table 3.4 compares these three groups to explore the question of whether the pattern suggested by a small number of ethnographic interviews is representative of the experiences for the sample as a whole. The impacts shown in the three panels supports the expectation that those sample members who had one barrier to employment would be affected the most by the program. For this group, the program increased annual earnings over the five-year period by 23.4 percent (\$10,516 for the program group, compared with \$8,520 for the control group). This gain was evenly distributed throughout the period. Although not shown in the table, for this group the program also increased stable employment (or the fraction of the sample who started work in Year 1 and worked 12 consecutive quarters), increased incomes, and reduced poverty.

¹⁷Weisner et al., 1999.

The effects for those with many employment barriers were temporary and less dramatic. While the program increased employment during Year 1, the impacts did not persist beyond that point. Further, at the five-year follow-up point, program group members were less likely to have jobs offering benefits (not shown in table). Overall, New Hope had a temporary and very limited effect on those who had multiple barriers to employment. Box 3.4 illustrates several ways in which New Hope failed to help program group members who experienced multiple barriers to employment.

Effects by Public Assistance Status

In the year preceding their application to New Hope, nearly three in four sample members reported receiving AFDC or food stamps. However, by no means did New Hope serve only welfare and food stamp recipients, as many other programs do. Chapter 2 shows that about one in four applicants to the program had never received welfare. Thus, New Hope was not designed or operated as a “welfare-to-work” program, intended to actively reduce welfare rolls. One might expect New Hope services and benefits to have affected public assistance receipt indirectly. Inasmuch as the program made work more attractive and employment a more feasible alternative to receiving welfare, it may have enabled many families to reduce their reliance on public benefits.

Such an effect would go hand in hand with the changing welfare environment in Wisconsin and in the United States as a whole. As New Hope was implemented, the State of Wisconsin embarked on a very ambitious overhaul of its welfare system, moving first to a program called Pay for Performance and then implementing Wisconsin Works (W-2) in 1997 (in effect, during the follow-up period covered by this report). Both of these programs required public assistance recipients to work or participate in employment activities in return for receiving a welfare grant. Helped by the strong economy, the results were remarkable: Welfare rolls in Wisconsin have fallen by 75 percent since 1991. In Milwaukee, caseload reductions were more limited but still fairly large, at 38 percent.

Given these large reductions in welfare receipt, the impact of New Hope might go two ways. On the one hand, the welfare changes provided program group members with an added incentive to seek employment and leave public assistance. Therefore, one might have expected New Hope’s effects on welfare receipt to be strengthened. On the other hand, control group members also experienced increasing pressure from the welfare system, which, under W-2, was combined with increasingly generous and intensive services. These pressures on control group members could have offset New Hope’s effects on the behavior of those receiving public assistance.

The sixth panel of Table 3.4 presents impacts for people who were receiving AFDC or food stamps at random assignment. Program group members worked more than control group

Box 3.4

New Hope Most Helped the Women Who Did Not Have Many Barriers to Employment

Several of the women in the New Hope Ethnographic Study sample who had no employment barriers at baseline had stable employment and/or benefits at their place of employment and, as a result, were not as motivated to use New Hope benefits. For example, Julie, an African-American single parent with two teenage children, worked for a Ford dealer in Milwaukee as a service coordinator handling customer complaints when she applied for New Hope. During her enrollment period, Julie occasionally used New Hope's health insurance, but she did so for only 10 months out of her 36-month eligibility period. And because her earnings generally put her over the poverty threshold, she only received an earnings supplement a few times during her enrollment, for about \$20 each time. Finally, since both of her children were teenagers, she did not need the program's child care support.

New Hope was particularly helpful to families who had only one barrier to finding and keeping work, and it was even more helpful in cases where its benefits addressed with the kinds of barriers the women had. Edith, a married Latina mother of three young children, signed up for New Hope after her husband, Manuel, went to prison on a drug charge. With Manuel away, Edith needed to work full time to make ends meet; and to work so many hours, she needed reliable child care — which is why she applied for New Hope. She had a stable job with health insurance benefits at a local social services agency. Edith used the child care support from New Hope for the full 36 months of her eligibility. She appreciated the value of having been assigned to the program group and contrasted her good fortune to that of a close friend who had been assigned to the control group. Her friend also needed child care for her young son in order to accept a job that had been offered to her. But her friend did not take the job because she did not have full-time care for her son. When Edith lost the New Hope child care support at the end of her period of eligibility, she came to appreciate its value all the more. Had the support not ended, her husband — who had returned home from his incarceration — could look for a part-time job, in addition to his current full-time job. The extra income that Manuel would bring in would have improved the family's financial well-being. Edith tried to use the child care support from W-2, but the family's household income was over the income threshold, and they did not qualify.

Many of the families with two or more employment barriers found it difficult to benefit from the New Hope program because their needs were often too complex. For example, Beth, a Latina mother of four children, lived with her partner, Victor, who was the father of three of the children. Although Beth tried to become active in New Hope when she was first selected, she and Victor felt that the program could not meet their needs. Beth's two main employment barriers were her young children, who needed child care, and her lack of adequate education. New Hope would provide child care, of course, but only if Beth worked 30 hours or more a week, and she did not want to take just any job simply to get this benefit. She wanted to place her children in child care so that she could go to school full time and get a better education. Beth said that she "didn't want to work at Taco Bell for five years and then look back to see that she hadn't accomplished anything." She wanted an education and a "good job." Although New Hope offered to try to enroll Victor so that he could receive benefits, Victor could not receive the child care support, because he and Beth were not married. Eventually the two gave up on the program altogether.

Ethnographic data also point to the ambiguity of terms like "barrier to employment." Mothers, of course, do not classify their children as "barriers" to work, and the women in this study were forced to make the best choices they could for their family routine and their children. They were conflicted over their choices of working or being at home with their young children; they often could not do everything that was expected, given the low-wage work that they so often faced — without benefits, without child care, and with very little flexibility.

members in the first two years. As a result, they also had higher average earnings during Year 1: \$5,767 for the program group, compared with \$4,449 for the control group. The difference in employment rates diminished during Years 3 to 5, in part because of increased employment among the control group. Nonetheless, over the entire follow-up period, both earnings and employment were significantly higher for the program group. Although not shown in the table, New Hope also increased stable employment and average wages for this subgroup. Impacts are not shown for those not receiving public assistance at baseline. On the whole, the impacts for this group were not significantly different from the impacts for the public assistance subgroup, as indicated by the p-values in the rightmost column, with the exception of the employment impact in Year 1.

Effects by Race and Ethnicity

The final three panels of Table 3.4 present effects by race and ethnicity. Significant variation is seen in employment impacts across three ethnic groups, with African-Americans and Hispanics working significantly more due to New Hope.¹⁸ In this case, the employment and earnings impacts were much more positive for African-American and Hispanic sample members than for their white counterparts. In fact, earnings impacts for the white sample were negative, although statistically insignificant.

Interestingly, Hispanics seemed to have benefited the most from the New Hope program. For example, the impacts on average earnings for Years 3 to 5 are much larger than the impacts in the first two years, even though the corresponding impacts on quarters of employment were similar in both periods. This indicates that earnings were increasing over time at an increasing rate for the program group. The impacts on stable employment and on high wages were also somewhat larger for this group (not shown in table). Not surprisingly, the program's effects on poverty were also larger for the African-American and Hispanic samples (not shown in table).

Conclusion

The New Hope program operated for three years, during which time participants could receive a range of work supports. It is perhaps not surprising, then, that the program's effects occurred largely during that three-year period and faded thereafter. New Hope's effects on employment and earnings, for example, were large and statistically significant in the first few years.

Although New Hope's effects on earnings and income persisted throughout the five-year period for certain subgroups, there is some evidence of lasting effects for the sample as a whole. The program's impacts on earnings, for example, were fairly large in the later years of

¹⁸No impacts are presented for other ethnic groups, because of small sample sizes.

follow-up, although not statistically significant. These effects contributed to the statistically significant reductions in poverty that occurred throughout the five-year period. In addition, the program group was earning higher wages at the five-year point — an effect that was probably due in part to the fact that they worked more consistently during the follow-up period. Thus, New Hope did have some effects beyond the time period during which it operated.

Chapter 4

New Hope's Effects on Parents' Well-Being

This chapter presents the impacts of New Hope on five domains of parents' well-being: material well-being, residential well-being, physical well-being, instrumental behaviors and coping strategies, and psychosocial well-being.

Key Findings

- Overall, there were few differences between program and control group families. What few impacts there were often depended on parents' status at baseline — when they applied to the New Hope Project — such as whether or not they were employed full time, the number of certain specific barriers to employment they had, and their ethnicity. Findings for subgroups defined at baseline were often stronger than those for the sample as a whole, despite reduced sample sizes for the subgroups. However, significant impacts sometimes varied in direction for different subgroups. This picture is consistent with the view of New Hope as an intervention through which participants charted their individual courses toward heterogeneous outcomes.
- Program and control group members reported similar levels of *material well-being and residential well-being* five years after applying to the project. Program group members who had been employed full time at baseline were more likely than control group members to be providing financial assistance to individuals outside their household (other than child support), and they had moved more often in the past three years. Among those *not* employed full time at baseline, program group members were less likely than controls to be providing financial assistance to others, and they were more satisfied with their neighborhood resources.
- Program group members — especially those not employed full time at baseline — rated their *physical health* as better than did control group members.
- In the domain of *instrumental behaviors and coping strategies*, members of the program group were more aware of community resources that could provide, for example, advice about raising children or assistance with energy costs. Program group members demonstrated greater familiarity with the Earned Income Tax Credit (EITC) than controls, as well as a tendency to-

ward greater use of the EITC — although the latter effect was not statistically significant.

- In the domain of *psychosocial well-being*, program group members reported fewer symptoms of depression than did control group members, but there were no differences in several other indicators of psychological well-being.

New Hope’s Conceptual Framework

As described in Chapter 1 (Figure 1.1), New Hope’s overall conceptual framework predicted impacts on parents’ employment and income, which, in turn, were expected to affect parents’ well-being. This chapter examines parents’ well-being in five domains: material, residential, health, coping, and psychosocial.

During the period of eligibility for program participation, benefits to participants may have begun with the “empowerment” of being able to choose the specific New Hope supports they wished to tap, facilitated by New Hope staff. Availability of the four core New Hope benefits could be expected to improve material and residential well-being through their impacts on employment and income. Access to health insurance could be expected to improve health. The combination of available benefits could have contributed to psychosocial well-being by easing worries across a variety of domains and making the daily routine of family life more “sustainable” and less vulnerable in the face of difficulties.

Supports from New Hope staff could go beyond assistance in finding employment, child care, and other resources; New Hope might also promote participants’ skills to “hold things together” as low-income working parents. Weisner and others determined from their ethnographic work with a subset of families in the New Hope sample that the families’ “carrying capacity” was often low, in terms of the resources, supports, and buffers available to help them cope with life’s contingencies.¹ The ethnographers viewed this largely as a consequence of the uncertainties and lack of benefits associated with low-wage employment. The benefits and supports provided by New Hope, however, could help to keep these inevitable periodic difficulties from cascading into more serious problems. The availability of a cafeteria of benefits from which to choose, coupled with the individual attention of New Hope staff members, could help to make family life more sustainable.

The five-year survey took place two years after program participants’ eligibility for New Hope ended. What long-term effects on program participants could be expected, especially

¹Weisner et al., 1999, 2000.

given the fact that the original New Hope model was that of an ongoing program, not one with time limits? And how might such impacts occur?

First, especially for participants not already working full time at baseline, New Hope provided a supportive environment for developing the necessary routines of work, including making provisions for child care. Second, with the assistance of project staff, participants could learn to navigate bureaucracies and benefits in the public sphere, a prime example being the EITC.² Third, those who worked gained potentially marketable job experience as well as evidence — for themselves and others — of their ability to hold a job and earn a living. Perhaps they also developed more “staying power” or employment stability, as suggested by their greater job stability (see Chapter 3). Working at a paid job could also establish a positive feedback cycle: The social desirability of paid work, feelings of accomplishment, and the stimulation of learning new tasks and associating with a wider circle of people, could improve feelings of well-being, in turn buttressing the individual against difficulties encountered with working or in combining work and family responsibilities. Paid work, of course, also provides income and, in many cases, fringe benefits like health insurance — both contributing to material, health, and psychological well-being. In short, participants’ competencies, once acquired, and their expectations, once established, could have continued beyond the life of the program.

Review of the Two-Year Findings

Two years into the New Hope program — and one year before participants’ eligibility ended — program group members enjoyed several advantages over their control group counterparts. New Hope increased family income for those not employed full time at random assignment, and it reduced material hardship, mostly by increasing access to medical and dental care and by reducing periods without health insurance. The program group also reported significantly fewer financial worries than the control group. (Box 4.1 gives an example of the pathway from material well-being to psychosocial well-being and improved parenting.)

At the two-year follow-up, New Hope had no impacts on residential well-being — participants’ home ownership, household formation, residential stability, money spent on housing, reported housing deficiencies, or satisfaction with housing.

Program group members reported increased feelings of agency and hope (confidence that they could take action and achieve their goals), compared with those not in New Hope. However, there was no impact on a related measure: mastery. Parents in New Hope experienced

²The use of EITCs was an integral component of the New Hope offer, with wage supplements being calculated on the assumption that participants would avail themselves of the state and federal tax credits for which they were eligible.

Box 4.1

Material Well-Being Can Lead to Psychosocial Well-Being and Improved Parenting

Many parents in the New Hope Ethnographic Study sample were explicitly aware of the connection between their sense of material security and their psychosocial well-being. For some, New Hope's supports not only provided financial benefits and extra incentives to work but also relieved stress and made them feel happier. The financial relief allowed parents to buy things that their children wanted or to participate in enjoyable recreational activities. This is not simply mundane materialism. A number of parents said that such activities gave them a sense of personal satisfaction and belonging to their community. Part of feeling like a good parent involved being able to take their children out to eat fast food, to enjoy a day at the mall, or to take a family vacation.

Shortly after exiting the New Hope program in 1998, Anna Marie, a Latina single mother of two teenage boys, described this connection in her own life. She believed that the program's benefits motivated her to keep working. Her health insurance costs were about \$230 per month after leaving New Hope. When her eligibility ended, she had to start budgeting more carefully to accommodate this added expense. She considered working two jobs to bring in extra money. Anna Marie said: "I was getting kind of spoiled because I was, like, 'The three years are coming up real soon.' Of course, then I started budgeting ASAP. 'Here comes the time. The three's up, so start saving. Put a dollar away. Start budgeting again.'"

During a later visit, she mentioned the psychosocial benefits of the New Hope supports for her and her children when the family was enrolled in the program:

I felt more at ease. I mean . . . you know, to be able to save. I wouldn't of been able to do that. I mean, right now, I'm back to check-to-check. You know, back to check-to-check, where I have to say no to my kids sometimes, or my kids [say] to me, "We can't. We can't afford it because we don't have the extra money right now." With New Hope, when I did have the extra money, for three years [we] had fun.

The financial support from New Hope helped to improve Anna Marie's sense of optimism and well-being: "I was a happy person. I looked for that check every month. It made me feel so unique, so special."

significantly lower levels of stress but higher levels of time pressure. No impacts were observed on depression or self-esteem.

Five-Year Impacts on Parents' Well-Being

Overall, there were few impacts on parents' well-being. Findings for all variables appear in Table 4.1 for the entire survey sample and in Table 4.2 for the survey sample divided by employment status at baseline. Findings for breakdowns of the sample by two other baseline characteristics — the number of barriers to employment and ethnicity — appear in Appendix E. Because of the relatively large number of measures examined, it is possible that some of the statistically significant individual impacts may have occurred by chance. Nonetheless, the observed impacts — especially those reasonably consistent across subgroups defined at baseline — seem concentrated in specific domains.

Material Well-Being

Measures. Total *family income* was assessed by asking survey respondents to list all income sources for the calendar year preceding the survey, including income from all household members. This measure includes sources of income that are not captured by administrative data (as were used for the income measures reported in Chapter 3), including income generated by paid work, assets, transfers, and miscellaneous other sources. Participants used a five-point scale to rate their *satisfaction with standard of living*. The *material hardship index* included six questions asking whether the family had been without utilities, medical care, housing, or other necessities. *Food security* involved questions about the adequacy of food for the family. *Financial well-being* questions asked about the ability to afford the things the family needs. *Financial health* included nine items assessing participants' degree of financial stability and ownership of such assets as a car, a savings account, or cable TV. *Financial support to others* included financial assistance to family members and others outside the household, other than child support. *Financial worry* included five questions asking how much the respondent worried about paying bills and lacking money for important needs such as food and housing.

Impacts. For the entire survey sample, no impacts were observed on measures of material well-being. For the subset of sample members employed full time at baseline, however, program group members were significantly more likely to be providing financial assistance to individuals outside their household — other than child support — than were control group members. Among those not working full time at baseline and those with two or more employment barriers, the situation was the opposite: Program group members were less likely than controls to be providing such assistance. Among whites, program group members surpassed controls on the measure of food security.

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Table 4.1

Impacts on Parental Well-Being for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Material well-being						
Family income: survey report (\$)		22,718	21,270	1,447	0.312	0.09
Standard of living	1=very unhappy, 5=very happy	3.8	3.7	0.1	0.435	0.07
Material hardship	0=no, 1= yes	0.2	0.2	0.0	0.664	-0.04
Food security	1=low, 4=high	3.4	3.4	0.0	0.664	-0.04
Financial well-being	1=not at all true, 5=very true (Sum of 5 items: 1-25)	16.2	16.4	-0.2	0.705	-0.03
Financial health	0=no, 1=yes	0.5	0.5	0.0	0.716	-0.03
Financial support to others	0=no, 100=yes	9.4	10.0	-0.7	0.799	-0.02
Financial worry	1=not at all, 5=a great deal	2.5	2.6	0.0	0.672	-0.03
Residential well-being						
Number of moves in past 3 years		1.2	1.2	0.0	0.772	0.02
Satisfaction with housing	1=low, 4=high	3.0	3.0	0.0	0.556	-0.05
Bad housing conditions	1=no, 2=yes	1.1	1.1	0.0	0.691	-0.03
Crowded housing	greater than 1=crowded housing	1.5	1.5	0.0	0.780	-0.02
Neighborhood good to raise kids	1=awful, 5=excellent	3.0	3.0	0.0	0.859	-0.01
Neighborhood resources	1=very unhappy, 5=very happy	3.5	3.5	0.1	0.354	0.08
Collective efficacy	1=very unlikely, 5=very likely	3.9	3.9	0.0	0.928	-0.01
Housing safety: observer	1=low, 3=high	1.4	1.4	0.0 *	0.073	0.16
Neighborhood problems: observer	6=low, 12=high	8.6	8.8	-0.2	0.525	-0.06
Physical well-being						
Physical health	1=low, 5=high	3.5	3.4	0.2 *	0.058	0.16
Health condition hinders work (%)		20.9	20.7	0.2	0.950	0.01
Hospitalizations in last year	0=no, 1=yes	0.3	0.4	-0.2	0.270	-0.10
Substance use/abuse	1=on no days, 5=almost every day	1.4	1.3	0.1	0.147	0.12
Coping strategies and instrumental behaviors						
Sustainability	1=sort of true for you, 4=very true	3.0	3.0	0.0	0.461	0.06
Pursuing any goals (%)		80.2	83.8	-3.6	0.287	-0.09
Achieving any goals (%)		70.4	69.1	1.3	0.746	0.03
Awareness of helping resources	1=low, 2=high	2.0	1.9	0.1 **	0.012	0.22
Community involvement	1=low, 2=high	1.4	1.3	0.0	0.200	0.11
Married and living with spouse (%)		23.5	21.3	2.1	0.523	0.05
Not married and living with partner (%)		26.1	28.3	-2.3	0.601	-0.05

(continued)

Table 4.1 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Discouragement of working	1=a big negative influence, 5=a big positive influence	2.5	2.6	-0.1	0.538	-0.06
Practical supports for working	1=not involved in a program, 3=received support	2.1	2.0	0.1	0.302	0.09
Used EITC last year (%)		69.8	67.1	2.7	0.514	0.06
Aware of EITC last year (%)		94.3	89.5	4.8 **	0.034	0.17
Psychosocial well-being						
General life stress	1=none of the time, 4=almost all of the time	2.5	2.5	0.0	0.855	0.02
Time pressure	1=low, 5=high	3.3	3.3	0.0	0.706	-0.03
Job quality	0=no benefits, 1=high benefits	0.6	0.7	0.0	0.208	-0.11
Difficult life circumstances	0=no, 1=yes	0.2	0.2	0.0	0.414	0.07
Depression	0=low, 60=high (sum of 20 items)	14.3	15.9	-1.5 *	0.091	-0.14
Religiosity	1=low, 4=high	3.7	3.6	0.1	0.160	0.11
Hope	1=strongly disagree, 5=strongly agree	3.0	3.0	0.0	0.599	-0.05
Influence of close others	1=not true at all, 5=always true	3.7	3.6	0.1	0.224	0.11
Availability of supportive others	1=not true at all, 5=always true	3.1	3.1	0.0	0.687	-0.04
Perception of life now versus 5 years ago	1=much worse, 5=much better	4.3	4.3	0.0	0.906	-0.01
Sample size		277	276			

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

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Table 4.2

Impacts on Parental Well-Being, by Employment Status at Baseline

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Panels ^b
<u>Employed full time at baseline</u>							
Material well-being							
Family income: survey report (\$)		25,761	24,196	1,564	0.492	0.10	0.820
Standard of living	1=very unhappy, 5=very happy	4.0	3.9	0.1	0.477	0.10	0.724
Material hardship	0=no, 1=yes	0.1	0.1	0.0	0.729	0.04	0.515
Food security	1=low, 4=high	3.5	3.6	-0.1	0.329	-0.14	0.438
Financial well-being	1=not at all true, 5=very true (Sum of 5 items: 1-25)	17.3	16.8	0.6	0.429	0.12	0.217
Financial health	0=no, 1=yes	0.6	0.5	0.0	0.678	0.06	0.410
Financial support to others	0=no, 100=yes	15.3	6.0	9.3 **	0.049	0.32	0.010 ††
Financial worry	1=not at all, 5=a great deal	2.3	2.4	-0.2	0.317	-0.14	0.316
Residential well-being							
Number of moves in past 3 years		1.4	0.9	0.5 *	0.064	0.33	0.259
Satisfaction with housing	1=low, 4=high	2.9	3.1	-0.2	0.202	-0.19	0.224
Bad housing conditions	1=no, 2=yes	1.1	1.1	0.0	0.754	0.04	0.499
Crowded housing	greater than 1=crowded housing	1.5	1.6	-0.1	0.223	-0.23	0.178
Neighborhood good to raise kids	1=awful, 5=excellent	2.9	3.1	-0.1	0.419	-0.12	0.746
Neighborhood resources	1=very unhappy, 5=very happy	3.5	3.7	-0.2	0.221	-0.17	0.046 ††
Collective efficacy	1=very unlikely, 5=very likely	4.0	4.1	-0.1	0.531	-0.09	0.560
Housing safety: observer	1=low, 3=high	1.4	1.4	0.1	0.300	0.17	0.905
Neighborhood problems: observer	6=low, 12=high	8.7	8.9	-0.3	0.622	-0.08	0.793

(continued)

Table 4.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Panels ^b
Physical well-being							
Physical health	1=low, 5=high	3.5	3.5	0.0	0.879	-0.02	0.135
Health condition hinders work (%)		14.7	19.3	-4.6	0.443	-0.11	0.369
Hospitalizations in last year	0=no, 1=yes	0.3	0.3	0.0	0.895	-0.01	0.400
Substance use/abuse	1=on no days, 5=almost every day	1.3	1.3	0.0	0.655	0.06	0.643
Coping strategies and instrumental behaviors							
Sustainability	1=sort of true for you, 4=very true	3.2	3.0	0.2	0.101	0.24	0.155
Pursuing any goals (%)		79.8	83.9	-4.0	0.518	-0.10	0.781
Achieving any goals (%)		76.4	68.8	7.6	0.282	0.17	0.345
Awareness of helping resources	1=low, 2=high	2.0	1.8	0.1 *	0.062	0.28	0.701
Community involvement	1=low, 2=high	1.4	1.4	0.0	0.361	0.15	0.824
Married and living with spouse (%)		30.3	25.8	4.5	0.476	0.11	0.606
Not married and living with partner (%)		35.4	26.6	8.8	0.320	0.20	0.138
Discouragement of working	1=a big negative influence, 5=a big positive influence	2.4	2.5	-0.2	0.360	-0.15	0.585
Practical supports for working	1=not involved in a program, 3=received support	2.0	2.0	0.0	0.709	0.06	0.872
Used EITC last year (%)		65.1	72.8	-7.7	0.297	-0.16	0.083 †
Aware of EITC last year (%)		97.3	93.7	3.6	0.258	0.13	0.674
Psychosocial well-being							
General life stress	1=none of the time, 4=almost all of the time	2.3	2.3	0.0	0.721	0.05	0.987
Time pressure	1=low, 5=high	3.2	3.3	-0.1	0.623	-0.07	0.736
Job quality	0=no benefits, 1=high benefits	0.7	0.7	-0.1	0.292	-0.15	0.675
Difficult life circumstances	0=no, 1=yes	0.2	0.2	0.0 *	0.091	0.22	0.262
Depression	0=low, 60=high (sum of 20 items)	12.4	13.9	-1.5	0.336	-0.14	0.965

(continued)

Table 4.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Panels ^b
Religiosity	1=low, 4=high	3.9	3.8	0.1	0.457	0.08	0.871
Hope	1=strongly disagree, 5=strongly agree	3.1	3.1	0.0	0.608	-0.08	0.755
Influence of close others	1=not true at all, 5=always true	3.7	3.7	0.0	0.925	-0.01	0.378
Availability of supportive others	1=not true at all, 5=always true	3.1	3.3	-0.2	0.165	-0.21	0.180
Perception of life now versus 5 years ago	1=much worse, 5=much better	4.5	4.3	0.1	0.340	0.13	0.228
Sample size		112	110				
<u>Employed part time or less at baseline</u>							
Material well-being							
Family income (survey report) (\$)		21,036	20,131	905	0.630	0.06	
Standard of living	1=very unhappy, 5=very happy	3.7	3.7	0.0	0.702	0.04	
Material hardship	0=no, 1=yes	0.2	0.2	0.0	0.557	-0.06	
Food security	1=low, 4=high	3.4	3.4	0.0	0.994	0.00	
Financial well-being	1=not at all true, 5=very true	15.7	16.2	-0.5	0.309	-0.11	
	(Sum of 5 items: 1-25)						
Financial health	0=no, 1=yes	0.4	0.5	0.0	0.382	-0.09	
Financial support to others	0=no, 100=yes	6.7	11.8	-5.1 *	0.100	-0.17	
Financial worry	1=not at all, 5=a great deal	2.6	2.6	0.0	0.742	0.03	
Residential well-being							
Number of moves in past 3 years		1.0	1.2	-0.2	0.210	-0.12	
Satisfaction with housing	1=low, 4=high	3.0	3.0	0.0	0.768	0.03	
Bad housing conditions	1=no, 2=yes	1.1	1.1	0.0	0.484	-0.08	
Crowded housing	greater than 1=crowded housing	1.5	1.5	0.0	0.576	0.05	
Neighborhood good to raise kids	1=awful, 5=excellent	3.0	3.0	0.0	0.785	0.03	

(continued)

Table 4.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Panels ^b
Neighborhood resources	1=very unhappy, 5=very happy	3.6	3.4	0.2 *	0.095	0.18	
Collective efficacy	1=very unlikely, 5=very likely	3.8	3.8	0.0	0.890	0.02	
Housing safety: observer	1=low, 3=high	1.4	1.4	0.0	0.189	0.14	
Neighborhood problems: observer	6=low, 12=high	8.6	8.7	-0.1	0.779	-0.03	
Physical well-being							
Physical health	1=low, 5=high	3.6	3.3	0.3 **	0.016	0.25	
Health condition hinders work (%)		23.7	21.6	2.1	0.639	0.05	
Hospitalizations in last year	0=no, 1=yes	0.2	0.5	-0.2	0.253	-0.14	
Substance use/abuse	1=on no days, 5=almost every day	1.4	1.3	0.1	0.215	0.14	
Coping strategies and instrumental behaviors							
Sustainability	1=sort of true for you, 4=very true	2.9	3.0	0.0	0.862	-0.02	
Pursuing any goals (%)		81.1	83.0	-2.0	0.629	-0.05	
Achieving any goals (%)		68.2	68.7	-0.5	0.920	-0.01	
Awareness of helping resources	1=low, 2=high	2.0	1.9	0.1 *	0.064	0.20	
Community involvement	1=low, 2=high	1.4	1.3	0.0	0.298	0.10	
Married and living with spouse (%)		20.1	19.5	0.7	0.857	0.02	
Not married and living with partner (%)		22.4	28.8	-6.3	0.222	-0.14	
Discouragement of working	1=a big negative influence, 5=a big positive influence	2.6	2.6	0.0	0.680	-0.04	
Practical supports for working	1=not involved in a program, 3=received support	2.1	2.1	0.1	0.393	0.09	
Used EITC last year (%)		72.0	64.4	7.7	0.124	0.16	
Aware of EITC last year (%)		93.0	87.5	5.5 *	0.068	0.20	
Psychosocial well-being							
General life stress	1=none of the time, 4=almost all of the time	2.6	2.6	0.0	0.646	0.05	
Time pressure	1=low, 5=high	3.3	3.3	0.0	0.905	-0.01	

(continued)

Table 4.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Panels ^b
Job quality	0=no benefits, 1=high benefits	0.6	0.6	0.0	0.545	-0.07	
Difficult life circumstances	0=no, 1=yes	0.2	0.2	0.0	0.785	0.03	
Depression	0=low, 60=high (sum of 20 items)	15.3	16.7	-1.4	0.211	-0.13	
Religiosity	1=low, 4=high	3.6	3.6	0.1	0.309	0.11	
Hope	1=strongly disagree, 5=strongly agree	3.0	3.0	0.0	0.855	-0.02	
Influence of close others	1=not true at all, 5=always true	3.7	3.6	0.1	0.200	0.14	
Availability of supportive others	1=not true at all, 5=always true	3.0	3.0	0.0	0.727	0.04	
Perception of life now versus 5 years ago	1=much worse, 5=much better	4.2	4.3	-0.1	0.464	-0.08	
Sample size		254	268				

SOURCE: MDRC calculations using data from the New Hope five-year survey

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Residential Well-Being

Measures. *Residential stability* was the number of times the family had moved in the previous three years. Other questions tapped parents' reports of *satisfaction with their housing*; the extent to which they experienced *bad housing conditions*, such as malfunctioning plumbing or broken windows; *crowding*; *satisfaction with neighborhood resources* (such as shopping facilities, safety, activities for children); *collective efficacy* of the neighborhood (neighbors responding to crime, helping others); the *safety of the housing* and *neighborhood problems*, as rated by the survey interviewer.

Impacts. Of the nine variables examined, there was a significant impact on one: Interviewers rated housing safety more favorably for program group members than for controls, especially for those with two or more employment barriers at baseline.

Effects on two other indicators of residential well-being varied with baseline employment status. Among parents who were employed full time at baseline, program group members had moved more often, but were less satisfied with the resources in their neighborhood, than were control group members. At the same time, there was a tendency, although not statistically significant, for program group members who had not been employed full time at baseline to have moved less often than comparable controls, while expressing greater satisfaction with neighborhood resources. African-American members of the program group likewise expressed more satisfaction with neighborhood resources.

It is unclear whether residential stability is a positive or negative outcome, but, in this instance, any improvements would appear to be modest at best, given the absence of significant impacts for most of the housing and neighborhood variables. Another indicator of the complexity of these findings is that, among Hispanics, program group members were more likely than control group members to report bad housing conditions and dissatisfaction with their housing.

Physical Well-Being

Measures. Survey questions assessed parents' overall physical health on a five-point scale from "poor" to "excellent"; having a health condition that limits the ability to work; frequency of hospitalization during the prior year; and indicators of substance use (for example, drinking alcohol in the prior 30 days) or abuse (for example, friends or family worry that you drink too much) .

Impacts. A single impact on physical well-being was observed for the survey sample as a whole. Program group members — especially whites and those not employed at baseline — reported better physical health than did controls. This is important for two reasons. First, though based on subjective reports, the measure has a long-standing history of use in many national

health surveys, and it can be considered a proxy for actual health status. Second, physical well-being speaks to the possibility of some “carryover” from New Hope’s assistance with health insurance beyond the end of the New Hope offer. In a similar vein, among African-Americans and those with one employment barrier at baseline, program group members experienced significantly fewer hospitalizations in the year preceding the survey.

New Hope had no overall impacts on having a limiting physical condition, frequency of hospitalization, or substance use or abuse. At the same time, program group members with one employment barrier at baseline displayed a higher level of substance use than did comparable control group members.

Instrumental Behaviors and Coping Strategies

Measures. Parents’ coping strategies may serve as a bridge for understanding how a program that is targeted primarily at adult employment could also have impacts on families and children. A key concept, which drew on the ethnographic work, was the *sustainability* of family life, assessed with five items about how capable parents felt in managing their lives, juggling responsibilities, and securing resources (see Box 4.2). Parents were also asked if they were *pursuing any goals* and if they had *achieved any goals* for themselves.

Parents were asked about their *awareness of helping resources* in their community that could address such issues as legal assistance or financial counseling, as well as about their own *community involvement*. The parents’ *current marital status* was determined. Questions about whether people or circumstances in their lives *discouraged working* or provided *practical support for employment* were asked. Parents were asked about their *knowledge and use of the EITC*.

Impacts. Program group members appear to have had greater awareness of community and government resources than control group members. They were significantly more likely to know where to turn for assistance with such matters as housing problems, legal issues, financial counseling, energy assistance, and child rearing, and they were more familiar with the EITC than were controls. Many of these impacts also held for subgroups defined by their baseline status — including ethnicity and employment barriers — despite the smaller numbers in these subgroups than in the survey sample as a whole. In addition, among those entering the study with two or more employment barriers, program group members reported greater community involvement than did control group members. Such impacts may have been a useful legacy of their interactions with staff and their experiences with benefits at New Hope.

Box 4.2

Family Sustainability Makes Daily Life Manageable

The concept of family sustainability has evolved over more than three decades of ethnographic work with families around the world.* Sustainability captures the emergent property familiar to any parent: the achievement of holding an everyday routine of family life together. Sustainability in family routines includes juggling social and material resources and social support, trying to meet one's own goals and values, minimizing interpersonal conflict and enhancing harmony, and providing stability and predictability in everyday family life. Sustainability is helped by the amount of coherence among all these aspects of a family's daily life. It is one pathway through which New Hope might have affected children and parents positively.

For example, fieldworkers gave a high sustainability score to Shaquita and John, an African-American couple with three young children. The family's financial situation was adequate; Shaquita always paid her bills on time, with John's help, and she kept a savings account for herself and her two older boys. Her work at a local nursing home was steady and flexible enough to allow her to take time off when the children were sick and needed to stay home from school or daycare. Shaquita enjoyed her job, for the most part, and found working to be meaningful. She was proud to be able to pay her own bills and not rely entirely on the support of someone else or the government. There was a high level of interpersonal harmony and social support in the household. John was helpful — particularly with financial support, chores, and child care. Shaquita also had an aunt who could help out with the kids. All the children were well behaved, in Shaquita's view. Although her work schedule changed from time to time, it was set two weeks in advance by her employer, so she could reliably predict and manage the balance between routines at work and those at home.

In contrast, Faye, an African-American single mother of a teenage boy and a toddler, had low family sustainability. Although Faye generally scraped enough money together each month to pay the rent, her income was extremely unreliable. Her work history was spotty, and when she did have a job, she worked for a caterer who could not guarantee work reliably from one week to the next. She reported that it was relatively easy to find a low-wage job, but she had difficulty finding a job that would give her dependable hours, that was not boring, and that fit into the family's schedule. Faye shared her apartment with several adult members of her family, on and off. This situation was highly stressful. Although her relatives occasionally helped around the house, Faye was never happy with the results and would have to clean the house again anyway. The relatives did help occasionally with household finances, but, more often, they relied on Faye for support, living rent-free in her apartment. Although her brother and sister both lived with her for significant portions of the study, they rarely volunteered to care for her younger boy. Faye often had to negotiate with them, often promising to exchange favors, in order to gain their help. Finally, Faye's older son was generally well behaved, but she worried about his susceptibility to friends who might get into trouble. She also worried about his poor school performance, but she did not seem to have enough control over his activities to make sure that he studied when he came home from school.

*Weisner, 1985, 1996; Weisner, Gibson, Lowe, and Romich, 2002.

Indeed, as shown in Chapter 2, only 19 percent of parents still receiving benefits when New Hope ended reported that the end of their eligibility was a major problem. Inasmuch as the end of New Hope meant the end of eligibility for practical supports such as the wage supplement and assistance with child care and health insurance, these responses suggest that parents were left with something else that tempered the ending of New Hope, such as increased coping capacities. It should also be noted that the New Hope Project reached out to members of the program group as the end of eligibility approached, to offer advice and assistance with the upcoming transition.

New Hope had no overall impacts on family sustainability or on respondents' pursuing and achieving goals, marital status, supports for employment, or general community involvement.

Psychosocial Well-Being

Measures. Survey questions provided measures of the frequency with which parents had experienced *stress* in the previous month and their experience of *time pressure* (that is, the extent to which they felt rushed to do the things they needed to do). They were also asked about the recent occurrence of 17 *difficult life circumstances*, such as having someone close to them die or be imprisoned or being investigated by a Child Protective Services unit. *Depression* was assessed using the Center for Epidemiological Studies-Depression (CES-D)³ scale, a 20-item self-report scale tapping the recent frequency of depressive symptoms, such as crying or feeling lonely. The role of religion in the parents' lives was assessed with a three-item *religiosity* index tapping such issues as the frequency of participation in religious activities and prayer. Parents also completed the *Hope Scale*, a measure of belief in one's capacity to initiate and sustain actions to achieve goals, as well as three scales inspired by the ethnographic work, measuring the *influence of close others* (whether they help and support or demand and stress), the availability of *supportive others*, and *job quality*, defined in terms of the job's "family-friendliness." Finally, parents were asked to rate life now compared with life five years ago using a scale from 1 ("much worse") to 5 ("much better").

Impacts. Of the ten indicators of psychosocial well-being, program and control group members differed on one. Program group members reported a lower frequency of depressive symptoms than did controls, although absolute levels remained fairly high in both groups. Still, the finding is noteworthy because parental depression has negative implications for parenting practices and child outcomes.⁴

³Developed by the Center for Epidemiological Studies of the National Institute of Mental Health; see Appendix D and Radloff (1977).

⁴McLoyd, Jayaratne, Cellabo, and Borquez, 1994.

For the survey sample as a whole, there were no impacts on frequency of stress, time pressure, job quality, difficult life circumstances, religiosity, hope, the influence of close others, or the availability of supportive others. The absence of an impact on parents' religiosity is of interest, because, as Chapter 5 shows, there were impacts on children's involvement with religious organizations.

There were, however, psychosocial impacts on specific subgroups, albeit mostly negative. For example, among Hispanics, those in the program group reported less goal pursuit, less hope, and more difficult life circumstances. In a similar vein, those with two or more employment barriers at baseline reported greater stress and poorer job quality than did controls. However, among whites, program group members reported less time pressure than controls.

Comparison of Results at the Two-Year and Five-Year Follow-Ups

There were few impacts on material or residential well-being at either the two-year or the five-year follow-up. At two years, program group members had fewer unmet medical and dental needs, but that difference did not persist at five years, probably because members of the program group were no longer more likely than control group members to have health insurance.

At the two-year follow-up, when New Hope benefits were still available, program group members — especially those who had not been employed at baseline — experienced greater feelings of time pressure than controls. At the same time, they experienced less stress and more feelings of efficacy achieving their goals, perhaps because of the supports that facilitated their efforts. These differences did not persist at five years, but there was a slight indication of lasting psychosocial well-being in the lower levels of depressive symptoms among program group members.

In the five-year follow-up, when program group members had already been without New Hope benefits for about two years, a different set of impacts could be expected to emerge. Behaviors and strategies to maintain well-being and secure resources, physical health, and a slight tendency to psychosocial well-being seemed to predominate in the five-year impacts. In addition, levels of stress, time pressure, and depression declined in both the program group and the control group between the two- and five-year follow-ups.

Conclusion

Overall, the New Hope program had few impacts on the well-being of parents and families five years after random assignment and two years after program eligibility ended. In considering the well-being of parents across five domains, this chapter shows that impacts were concentrated not so much in economic areas (material, financial, housing, neighborhood) but in

the ability of program group members to manage various aspects of their own lives and those of their families. Program group members were more knowledgeable than controls about how to secure various forms of assistance, including the Earned Income Tax Credit. Although scores on a measure of depression were fairly high across the survey sample as a whole, they were lower among program group members than among controls — an important positive impact. Similar psychosocial effects were seen at the two-year follow-up, in terms of increased “agency” and hope among program group members, that may have helped to provide a foundation for individual growth and capacity-building. Impacts on physical health two years after the end of New Hope eligibility suggest a lasting effect beyond the access to health insurance that was made possible by the project.

Viewing the New Hope Project as the time-limited intervention that it was not intended to be, perhaps the program’s overarching benefit was strengthening the capacities and competencies of individual participants, thereby enhancing their ability to weather life’s contingencies. Any impacts observed in parenting and family management — and ultimately in child outcomes — may be a function of an increased capacity among program group members that outlived the cessation of the New Hope Project. This idea would be consistent with a pathway largely from instrumental behaviors and coping strategies and psychosocial well-being to parenting and family management and then to child outcomes. This interpretation is also consistent with ethnographic evidence regarding parents’ own experiences. Without a doubt, particular benefits assisted parents; in addition, however, parents often described positive gains from the overall support that they received from the New Hope Project.

While the New Hope Project was not intended to be time-limited, it was intended to offer an individualized approach for individuals and their families, custom-tailored to their specific needs and choices. Differential effects for subgroups of the sample defined at baseline seem to indicate that the program did, in fact, function in this way. The intervention offered different pathways toward different outcomes, and enrollees made their own choices during their three-year period of program eligibility. However, New Hope targeted neither parenting practices nor children directly, although it did expand the range of possibilities available for child care and health care. So a clear and unequivocal pathway to the child outcomes reported in Chapter 6 remains somewhat elusive.

Chapter 5

New Hope's Effects on Parenting, Child Care, and Children's Activities

Parents' participation in New Hope could affect children's well-being through its impacts on their daily environments, both at home and away from home. This chapter presents impacts of the New Hope program on important contexts for children's development, namely, the parent-child relationship, child care arrangements, and out-of-school activities. Two years after random assignment, the principal noneconomic impacts of the New Hope intervention were on children's contexts outside the home. Specifically, children from New Hope families spent more time in formal child care and structured out-of-school activities than did children from control group families. New Hope's effects on parenting and children's activities within the home (for example, chores) were small or nonexistent at the two-year follow-up.

Key Findings

- The New Hope program had few overall effects on parenting and parent-child relations; however, parents in the program group reported fewer problems with control in discipline situations than did parents in the control group. These differences in parental control were especially strong for children aged 13 to 16. There is some evidence that boys in New Hope families had more positive relations with their parents than did boys in control group families.
- Children in New Hope families spent more time in formal, center-based care and after-school programs, while spending less time in home-based care, than children in control group families. Moreover, program group children were less likely to spend time in settings that were unsupervised by an adult (that is, in self-care or care by someone younger than 16).
- Adolescent program group children participated in more structured, organized activities than did control group adolescents, continuing a pattern begun three years earlier. Children of all ages in the program group participated more in classes and activities offered by religious institutions. During the summer, they spent more time in service or volunteer activities and less time attending summer school.

Summary of Theoretical Expectations

Parenting is often defined by the nature of parent-child interactions (for example, affection and discipline), but parents also influence their children's lives by arranging or selecting children's environments and experiences with others, that is, by being family managers. Family management includes selecting child care and arranging for supervision, educational experiences, and opportunities for recreation — tasks that become especially critical when parents are employed.

Parenting

Income, employment, and parents' psychological well-being are the principal paths by which New Hope was expected to influence parenting and children's environments. By five years after random assignment, the program had very modest lasting effects on each of these outcomes, although there were more persistent effects for some subgroups (see Chapters 3 and 4). Increased income could affect parenting both because it permits parents to provide more material resources to their children and because it may improve parents' psychological well-being. Previous research has demonstrated that low-income parents provide less cognitively stimulating home environments, exhibit lower levels of emotional support, less supervision, and more punitive discipline than higher-income parents.¹ These variations may be due in part to differences in parents' psychological well-being and ability to purchase cognitively stimulating materials.² Given the demonstrated links among financial and emotional support, adult psychological well-being, and positive parenting,³ the New Hope program was expected to improve parenting (for example, through increased expressions of positive affection and more effective family management and discipline strategies) by providing families with increased income (including income stability) and support services.

Findings from experimental studies of welfare-to-work demonstrations show very limited effects of employment on mothers' mental health and parenting, perhaps because employment can produce both stress and psychological well-being.⁴ It was expected that the benefits of employment for program group parents would outweigh the potential stressors created by employment because of two salient factors of the New Hope experience. First, employment among New Hope participants generated more economic benefits (earnings supplements, health care subsidies) than would typically be the case for individuals working in low-wage jobs. Second, New Hope staff provided participants with respectful and useful support and assistance. Third, the child care subsidy allowed parents to select child care that fit their needs and preferences.

¹Duncan and Brooks-Gunn, 1997; McLoyd, 1998; Guo and Harris, 2000; Watson, Kirby, Kelleher, and Bradley, 1996.

²Dubow and Ippolito, 1994; Garrett, Ng'andu, and Ferron, 1994.

³Magnuson and Duncan, 2002; McLoyd, 1990.

⁴Chase-Lansdale and Pittman, 2002.

Finally, there were small positive effects on parents' psychological well-being at both two years and five years.

At the two-year follow-up, there were few effects of New Hope on parenting practices. There was some evidence that boys in New Hope families perceived relations with their parents as more positive than did boys in the control group. Among parents employed full time at random assignment, New Hope significantly increased parental warmth and parent-reported monitoring of the focal child's activities.⁵

In light of the findings from the two-year follow-up, New Hope was not expected to have robust effects on parenting behavior five years after random assignment. Any lasting effects were likely to occur for boys or for parents who were employed at baseline, if, for example, New Hope parents perceived that increased warmth and monitoring were promoting positive behaviors or were inhibiting problematic behaviors in their children.

Child Care

When parents entered the New Hope study, focal children ranged from 1 to 10 years old; hence, five years later they were ages 6 to 15. Parental employment, particularly in single-parent families, requires child care, at least until children reach late elementary school. The effects of parents' employment on children depend considerably on the kind of care the children receive. Low-income parents face particular challenges in arranging care, largely because they are less able than middle- and upper-income parents to pay market rates for child care. Consequently, poor families tend to rely on relatives to care for children.⁶ Although they are less likely to use paid care, when low-income parents do pay for care, they spend five times more of their income than families who are not poor.⁷ In fact, child care often represents the second- or third-greatest expense for low-income working families.⁸

The New Hope program addressed these issues through its child care subsidy.⁹ Although public subsidies were also available to some control group parents through Aid to Families with Dependent children (AFDC) or through federal and state subsidy programs, the income thresholds were considerably lower than those for New Hope, and availability was not automatic even for those whose incomes met the eligibility guidelines. The availability of child care subsidies can decrease reliance on self-care and informal care by older siblings, family, or neighbors and can increase the use of paid, organized child care in centers and or-

⁵Huston et al., 2001.

⁶Brown-Lyons, Robertson, and Layzer, 2001; Scarr, 1998.

⁷Smith, 2000.

⁸Isaacs, 2002.

⁹Chapter 1 presents details of the New Hope child care subsidy and compares it with other public subsidies.

ganized after-school programs.¹⁰ Many low-income parents prefer center care and use it when it is made available.¹¹

This in fact happened during the first two years of the evaluation: Program group children were more likely than control group children to be in formal settings (such as center-based care, preschool programs, and Head Start). Because formal, center-based arrangements typically cost more than home-based arrangements, it is reasonable to assume that the New Hope income supplement and child care subsidy expanded parents' child care options.

Given that families lost the New Hope child care subsidy when the program ended and that the impacts on earnings and income had diminished by Year 5, it may be unlikely that New Hope would have a lasting effect on the types of child care used by families. On the other hand, there are a few reasons why program group families might continue to use more formal care than control group families. Initial experience with formal, center-based arrangements might lead parents to be familiar and comfortable with securing out-of-home arrangements. Center-based care is more reliable for working parents because it is less likely than informal care to fail unpredictably.¹² Parents also recognize the cognitive and educational advantages of center-based care (see Box 5.2).¹³ At the same time, parents also believe that home-based care provides necessary flexibility to accommodate sick children or employment that is erratic or occurs during nontraditional hours.¹⁴ Parents seek stability and predictability in child care (which is enhanced by flexibility in hours and payments, for instance).

Children's Activities

During the years between third and fifth grades, many children move out of "child care," and parents face new issues of providing supervision and developmental opportunities for their children. Out-of-school activities can assume a larger and more important role in children's development. Structured or organized out-of-school activities and arrangements afford the children the opportunity to develop social skills, increase competencies in many domains beyond academics, form relationships with caring and supportive adults, and associate with peer groups that have similar values and interests.¹⁵ They assume particular importance for children from low-income families who live in dangerous neighborhoods, because these children are

¹⁰Lamb, 1997.

¹¹Phillips and Bridgman, 1995; Quint, Polit, Bos, and Cave, 1994.

¹²Hofferth 1999; Lowe and Weisner, Forthcoming, 2003; Lowe, Weisner, and Geis, 2003.

¹³Lowe and Weisner, Forthcoming, 2003.

¹⁴Emlen, Koren, and Schultze, 1999.

¹⁵Eccles and Barber, 1999; Miller, O'Conner, and Sirignano, 1995.

often considered to be at risk for behavior problems and delinquency if they spend a lot of out-of-school time without adult supervision (for example, hanging out with friends).¹⁶

At the two-year point, program group children ages 9 to 12 participated in structured activities (such as organized sports, religious classes and events, clubs, lessons) significantly more often than did control group children, possibly because of the greater family income and resources provided by New Hope. These activities offered adult supervision and organized programs. This effect was greater for boys than for girls.

Although there were not large program impacts on parental income and employment at the five-year follow-up point, effects on children's participation in activities might persist. Children who begin participating in activities in late elementary school may develop interests and skills that lead them to continue participation in those, and other, activities. For example, a child who plays Little League baseball one year has the skills to join a more advanced team in subsequent years. Children may build lasting adult relationships through participation in organized activities. For children at risk, having supportive adults outside the family can offer critical support. Through participation in activities, children may also become part of a peer group that identifies with the activity. Peers are critically important during the preadolescent period; a child's developmental trajectory may well depend on whether or not he or she becomes part of a peer network and, if so, on the type of peer network involved (for example, one that conforms to adult norms or deviates from them). Patterns established in preadolescence (roughly ages 9 to 12) may contribute to resilience and positive developmental trajectories in the adolescent age period (ages 13 to 16) that were assessed at the five-year follow-up.

On the basis of the two-year findings, New Hope's impacts on children's participation in activities were expected to be greater for boys than for girls. Because of the wide age range in the focal child sample, age differences were also expected. Although parents' baseline employment status was an important factor in understanding economic impacts at two years, impacts on children's contexts did not vary systematically for families with different amounts of baseline employment; hence, such differences were not expected at five years.¹⁷

¹⁶Carnegie Corporation, 1992; Pettit, Bates, and Dodge, 1997; Posner and Vandell, 1994, 1999.

¹⁷Differences in impacts for families with and without full-time employment at baseline were analyzed for all variables, and the differences did not exceed those expected by chance.

Impacts on Parenting

Measures of Parenting

Measures of parenting included parent reports, child reports, and interviewer ratings. Some of these measures were used in the two-year evaluation; they are designated below as “(2&5).” Most of the measures were grouped into four composite scores: *effective child management*, *positive youth-parent relations*, *negative youth-parent relations*, and *warm and structured parenting*. These groupings were formed partly on the basis of an analysis of all the parenting measures, which indicated that the sets of measures within each grouping were correlated with one another.¹⁸ These composites were expected to be more reliable than the individual scales composing them, because they contained more items. Detailed descriptions of each measure, with information about reliabilities, appear in Appendix D.

Effective Child Management. The composite variable “effective child management” represented high control (that is, few problems), infrequent discipline or punishment, low parenting stress, and high confidence in the ability to prevent harm. *Problems with control* (2&5) was assessed using a five-item scale describing the frequency with which the child ignored or failed to obey the parent.¹⁹ *Frequency of discipline* involved six items assessing the frequency, in the prior week, with which parents had punished the child by grounding, taking away privileges, and spanking.²⁰ *Parenting stress* (2&5) included five questions concerning the degree of difficulty that parents experienced interacting with and caring for their children.²¹ *Confidence in preventing harm* was assessed with a single item from the parent interview: “How confident are you that you will be able to prevent your child from getting into trouble?”

Positive Youth-Parent Relations. The composite “positive youth-parent relations” was based on three child report measures: high positive parent-child relations, high parental acceptance and involvement, and high monitoring for children age 9 and over. Children’s perceptions of *positive relations* were assessed by the Child Evaluation of Relationship with Mother/Caregiver (2&5).²² There were different versions for children aged 6 to 8 and for those age 9 and older. Both versions included a *positive parent-child relations* scale. Two additional measures were given to 9- to 15-year-olds. One of these was the Authoritative Parenting Meas-

¹⁸A factor analysis of the measures produced four factors, which accounted for 76 percent of the variation. Measures with factor loadings higher than .45 were summed to form four composite scores. Details appear in Appendix D.

¹⁹Statistics Canada, 1995.

²⁰Statistics Canada, 1995.

²¹Quint, Bos, and Polit, 1997.

²²McLoyd, Jayaratne, Ceballo, and Borquez, 1994.

ure.²³ The *acceptance/involvement* subscale assessed the youths' perceptions that parents were supportive and involved in their lives. Children's *reports of parental monitoring* were measured by asking children ages 9 to 15 about the extent to which their parents knew about their activities and their friends. The fact that this scale correlates with other indicators of positive parent-child relations (from the child's point of view) is consistent with recent evidence that "monitoring" is an index of children's willingness to communicate with parents rather than of parental efforts at supervision.²⁴

Negative Youth-Parent Relations. The composite variable "negative youth-parent relations" was created for children age 9 and older from two child-report variables: negative parent relations and low autonomy. The *negative relations* scale was obtained from the Child Evaluation of Relationship with Mother/Caregiver (2&5).²⁵ Different versions were given to children ages 6 to 8 and to children ages 9 to 15. Children's perceptions of low autonomy were assessed with the subscale *psychological autonomy granting*, from the Authoritative Parenting Measure administered to youth age 9 and older.²⁶ Low scores indicate negative perceptions of parents' willingness to grant the child autonomy.

Warm and Structured Parenting. "Warm and structured parenting" was composed of parents' reports of warmth, interviewers' ratings of parental warmth, and parents' reports of the degree to which their family lives were characterized by regular family routines. *Parent-reported warmth* was assessed using a three-item scale from the Canadian evaluation of the Self-Sufficiency Project (SSP) (2&5)²⁷ on which parents indicated the frequency of their praise, focused attention, and special activities involving the child. *Observed warmth* involved two observational items from the Home Observation Measure of the Environment (HOME) (2&5). Interviewers assessed whether parents conveyed positive feelings about their children and spontaneously praised or talked about their children's good qualities and behaviors. *Regular family routines* were assessed with six questions about whether there were consistent times for such activities as children's homework, going to bed on week nights, and eating dinner together as a family.

Additional Measures of Parenting Behavior. Two parenting measures did not fit in the composite groups. One was parent-reported *monitoring* (2&5), consisting of eight questions about parents' knowledge of their children's friends and their children's whereabouts and companions when away from home. It is worth noting that parents' and children's reports of moni-

²³Steinberg, Lamborn, Dornbusch, and Darling, 1992.

²⁴Kerr and Stattin, 2000.

²⁵McLoyd, Jayaratne, Ceballo, and Borquez, 1994.

²⁶Steinberg, Lamborn, Dornbusch, and Darling, 1992.

²⁷Statistics Canada, 1995.

toring were only modestly correlated with one another. Parents' *strategies for prevention of harm* were assessed with six items about the frequency of different strategies, including talking to the child, enforcing rules or punishment, involving the child in activities, and keeping the child at home. These items were adapted from a set developed by the MacArthur Network on Adolescent Development.

Program Impacts

Impacts for the Entire Survey Sample. Program impacts on the individual and composite parenting variables are shown in Table 5.1. There was a significant impact on only one of the many measures included: Program group parents reported fewer problems with controlling their children than did control group parents. Given the large number of variables tested, this finding could have occurred by chance.

Impacts by Child's Gender. Impacts on parenting and parent-child relations are presented separately by child's gender in Table 5.2. There was some slight evidence that boys and their parents in the program families had more positive relations than did those in the control families. In comparison to the control group boys, program group boys reported higher levels of parental monitoring, and they were slightly higher ($p < .14$) on the composite "positive youth-parent relations." (There were no program impacts on parenting for girls.)

Impacts by Child's Age. Children were divided into three different age groups based on their age as of the five-year survey — 6 to 8, 9 to 12, and 13 to 16 — to determine whether program impacts differed across ages. These results are shown in Table 5.3. The striking finding from this table is a strong significant program impact on effective child management for the 13- to 16-year-olds. New Hope parents reported more effective management, including higher levels of control and less frequent punishment and discipline for their teenage children. There was some evidence of a similar pattern for the 9- to 12-year-old children. New Hope parents reported more confidence in their ability to prevent their children from harm or from getting into trouble. There were no impacts on parenting for the youngest age group.

Impacts by Parents' Barriers to Employment. In general, New Hope's effects on parenting did not differ according to parents' barriers to employment at random assignment (see Appendix Table E.5.1). Interestingly, program group parents with multiple barriers engaged in significantly more strategies to prevent their children from getting into trouble than their control group counterparts.

The New Hope Project

Table 5.1

Impacts on Parenting and Parent-Child Relations for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Effective child management	1=low, 5=high	3.9	3.9	0.1	0.174	0.11
Problems with control	1=never, 6=all of the time	2.2	2.3	-0.1 *	0.059	-0.15
Frequency of discipline	1=never, 4=4 or more times	1.9	2.0	0.0	0.521	-0.05
Parenting stress	1=not at all true, 5=very true	1.7	1.8	-0.1	0.335	-0.07
Prevention-of-harm confidence	1=low, 5=high	3.7	3.7	0.1	0.421	0.07
Positive youth-parent relations	1=low, 5=high	4.2	4.2	0.1	0.290	0.10
Child-reported positive relations	1=not at all true, 5=very true	4.4	4.4	0.0	0.978	0.00
Child-reported acceptance and involvement	1=strongly disagree, 4=strongly agree	3.4	3.4	0.0	0.368	0.08
Child-reported monitoring	1=strongly disagree, 4=strongly agree	3.2	3.1	0.1	0.222	0.11
Negative youth-parent relations	1=low, 5=high	2.8	2.8	0.0	0.452	0.07
Child-reported negative relations	1=not at all true, 5=very true	2.6	2.5	0.1	0.173	0.10
Child-reported autonomy	1=strongly disagree, 4=strongly agree	2.4	2.5	0.0	0.348	-0.09
Warm and structured parenting	1=low, 5=high	3.9	3.9	0.0	0.399	0.07
Parent-reported warmth	1=never, 6=many times a day	4.7	4.6	0.1	0.216	0.10
Observer-reported warmth	1=not at all, 3=extremely	2.4	2.4	0.0	0.708	0.03
Regularity of family routines	1=almost never, 5=almost always	3.8	3.8	0.0	0.687	0.04
Parenting behavior						
Monitoring	1=never, 6=always	3.2	3.2	0.0	0.378	-0.08
Prevention-of-harm strategies	1=almost never, 5=very often	3.9	3.8	0.0	0.450	0.06

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Parent reports were available for 830 children; and child reports were available for 840 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

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Table 5.2

Impacts on Parenting and Parent-Child Relations, by Child's Gender

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Boys							
Effective child management	1=low, 5=high	3.9	3.8	0.1	0.347	0.10	0.816
Problems with control	1=never, 6=all of the time	2.2	2.4	-0.2	0.132	-0.16	0.987
Frequency of discipline	1=never, 4=4 or more times	2.0	2.0	0.0	0.826	-0.02	0.647
Parenting stress	1=not at all true, 5=very true	1.8	1.9	0.0	0.572	-0.06	0.940
Prevention-of-harm confidence	1=low, 5=high	3.7	3.6	0.1	0.338	0.10	0.781
Positive youth-parent relations	1=low, 5=high	4.3	4.2	0.1	0.142	0.18	0.271
Child-reported positive relations	1=not at all true, 5=very true	4.5	4.4	0.0	0.758	0.03	0.389
Child-reported acceptance and involvement	1=strongly disagree, 4=strongly agree	3.5	3.4	0.1	0.285	0.12	0.532
Child-reported monitoring	1=strongly disagree, 4=strongly agree	3.2	3.1	0.2 **	0.044	0.25	0.109
Negative youth-parent relations	1=low, 5=high	2.8	2.8	0.0	0.749	0.04	0.790
Child-reported negative relations	1=not at all true, 5=very true	2.6	2.5	0.1	0.261	0.11	0.753
Child-reported autonomy	1=strongly disagree, 4=strongly agree	2.4	2.4	0.0	0.737	-0.04	0.921
Warm and structured parenting	1=low, 5=high	3.9	3.9	0.0	0.512	0.07	0.859
Parent-reported warmth	1=never, 6=many times a day	4.7	4.6	0.1	0.412	0.09	0.783
Observer-reported warmth	1=not at all, 3=extremely	2.4	2.3	0.1	0.389	0.10	0.264
Regularity of family routines	1=almost never, 5=almost always	3.8	3.8	0.0	0.816	-0.02	0.250

(continued)

Table 5.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Parenting behavior							
Monitoring	1=never, 6=always	3.2	3.2	0.0	0.645	-0.05	0.546
Prevention-of-harm strategies	1=almost never, 5=very often	3.9	3.9	0.0	0.796	0.03	0.289
Girls							
Effective child management							
Problems with control	1=low, 5=high 1=never, 6=all of the time	4.0 2.1	3.9 2.2	0.1 -0.2	0.221 0.129	0.13 -0.16	
Frequency of discipline	1=never, 4=4 or more times	1.9	1.9	-0.1	0.425	-0.09	
Parenting stress	1=not at all true, 5=very true	1.7	1.7	-0.1	0.424	-0.07	
Prevention-of-harm confidence	1=low, 5=high	3.8	3.7	0.1	0.630	0.06	
Positive youth-parent relations							
Child-reported positive relations	1=low, 5=high 1=not at all true, 5=very true	4.2 4.4	4.2 4.4	0.0 -0.1	0.853 0.409	-0.03 -0.09	
Child-reported acceptance and involvement	1=strongly disagree, 4=strongly agree	3.4	3.4	0.0	0.953	0.01	
Child-reported monitoring	1=strongly disagree, 4=strongly agree	3.2	3.2	0.0	0.742	-0.04	
Negative youth-parent relations							
Child-reported negative relations	1=low, 5=high 1=not at all true, 5=very true	2.8 2.6	2.8 2.6	0.1 0.1	0.519 0.587	0.09 0.06	
Child-reported autonomy	1=strongly disagree, 4=strongly agree	2.5	2.5	0.0	0.648	-0.06	
Warm and structured parenting							
Parent-reported warmth	1=low, 5=high 1=never, 6=many times a day	3.9 4.7	3.9 4.6	0.1 0.1	0.397 0.267	0.10 0.13	
Observer-reported warmth	1=not at all, 3=extremely	2.4	2.4	0.0	0.544	-0.07	
Regularity of family routines	1=almost never, 5=almost always	3.9	3.7	0.1	0.224	0.14	

(continued)

Table 5.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Parenting behavior							
Monitoring	1=never, 6=always	3.2	3.3	-0.1	0.280	-0.13	
Prevention-of-harm strategies	1=almost never, 5=very often	3.9	3.8	0.1	0.139	0.18	

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For boys, parent reports were available for 424 children; and child reports were available for 424 children. For girls, parent reports were available for 401 children; and child reports were available for 401 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

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Table 5.3

Impacts on Parenting and Parent-Child Relations, by Child's Age

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
<u>Ages 6-8</u>							
Effective child management	1=low, 5=high	3.9	4.0	-0.1	0.183	-0.16	0.019 ††
Problems with control	1=never, 6=all of the time	2.2	2.1	0.1	0.396	0.10	0.016 ††
Frequency of discipline	1=never, 4=4 or more times	2.0	2.0	0.0	0.695	0.05	0.235
Parenting stress	1=not at all true, 5=very true	1.7	1.6	0.1	0.192	0.15	0.085 †
Prevention-of-harm confidence	1=low, 5=high	3.7	3.9	-0.2	0.175	-0.17	0.026 ††
Positive child-parent relations							
Child-reported positive relations	1=not at all true, 5=very true	4.6	4.5	0.0	0.950	0.01	0.060 †
Negative child-parent relations							
Child-reported negative relations	1=not at all true, 5=very true	2.5	2.4	0.1	0.301	0.14	0.824
Warm and structured parenting							
Parent-reported warmth	1=low, 5=high	4.0	4.0	0.1	0.480	0.09	0.903
	1=never, 6=many times a day	4.9	4.9	0.0	0.998	0.00	0.453
Observer-reported warmth	1=not at all, 3=extremely	2.4	2.3	0.1	0.257	0.15	0.564
Regularity of family routines	1=almost never, 5=almost always	4.0	4.0	0.0	0.937	0.01	0.784
Parenting behavior							
Monitoring	1=never, 6=always	3.2	3.3	-0.1	0.299	-0.16	0.691
Prevention-of-harm strategies	1=almost never, 5=very often	3.8	3.8	0.0	0.961	0.01	0.686

(continued)

Table 5.3 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
<u>Ages 9-12</u>							
Effective child management	1=low, 5=high	4.0	3.9	0.1	0.122	0.17	
Problems with control	1=never, 6=all of the time	2.2	2.3	-0.1	0.182	-0.15	
Frequency of discipline	1=never, 4=4 or more times	2.0	2.0	0.0	0.698	0.05	
Parenting stress	1=not at all true, 5=very true	1.7	1.8	-0.1	0.171	-0.17	
Prevention-of-harm confidence	1=low, 5=high	3.8	3.6	0.2 **	0.030	0.26	
Positive youth-parent relations	1=low, 5=high	4.3	4.3	0.0	0.894	-0.01	
Child-reported positive relations	1=not at all true, 5=very true	4.4	4.5	-0.1	0.102	-0.20	
Child-reported acceptance and involvement	1=strongly disagree, 4=strongly agree	3.4	3.5	0.0	0.827	-0.02	
Child-reported monitoring	1=strongly disagree, 4=strongly agree	3.3	3.2	0.1	0.442	0.09	
Negative youth-parent relations	1=low, 5=high	2.8	2.7	0.1	0.495	0.09	
Child-reported negative relations	1=not at all true, 5=very true	2.6	2.5	0.1	0.339	0.12	
Child-reported autonomy	1=strongly disagree, 4=strongly agree	2.4	2.5	-0.1	0.485	-0.09	
Warm and structured parenting	1=low, 5=high	3.9	3.8	0.1	0.312	0.13	
Parent-reported warmth	1=never, 6=many times a day	4.8	4.5	0.2	0.104	0.20	
Observer-reported warmth	1=not at all, 3=extremely	2.4	2.4	0.0	0.961	0.01	
Regularity of family routines	1=almost never, 5=almost always	3.8	3.8	0.0	0.710	0.05	

(continued)

Table 5.3 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Parenting behavior							
Monitoring	1=never, 6=always	3.2	3.2	0.0	0.939	-0.01	
Prevention-of-harm strategies	1=almost never, 5=very often	3.9	3.8	0.1	0.226	0.15	
<u>Ages 13-16</u>							
Effective child management							
Problems with control	1=low, 5=high	3.9	3.7	0.2 **	0.030	0.32	
	1=never, 6=all of the time	2.1	2.6	-0.4 ***	0.007	-0.43	
Frequency of discipline	1=never, 4=4 or more times	1.8	2.0	-0.1	0.119	-0.23	
Parenting stress	1=not at all true, 5=very true	1.8	2.0	-0.1	0.211	-0.16	
Prevention-of-harm confidence	1=low, 5=high	3.6	3.5	0.1	0.329	0.16	
Positive youth-parent relations							
Child-reported positive relations	1=low, 5=high	4.2	4.0	0.1	0.157	0.21	
	1=not at all true, 5=very true	4.3	4.1	0.2 *	0.089	0.27	
Child-reported acceptance and involvement	1=strongly disagree, 4=strongly agree	3.4	3.3	0.1 *	0.092	0.24	
Child-reported monitoring	1=strongly disagree, 4=strongly agree	3.1	3.1	0.0	0.749	0.05	
Negative youth-parent relations							
Child-reported negative relations	1=low, 5=high	2.8	2.8	0.0	0.566	0.08	
	1=not at all true, 5=very true	2.7	2.6	0.0	0.769	0.04	
Child-reported autonomy	1=strongly disagree, 4=strongly agree	2.4	2.5	-0.1	0.442	-0.11	
Warm and structured parenting							
Parent-reported warmth	1=low, 5=high	3.8	3.7	0.0	0.786	0.04	
	1=never, 6=many times a day	4.5	4.3	0.1	0.406	0.13	

(continued)

Table 5.3 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Observer-reported warmth	1=not at all, 3=extremely	2.4	2.4	0.0	0.796	-0.04	
Regularity of family routines	1=almost never, 5=almost always	3.7	3.6	0.1	0.380	0.14	
Parenting behavior							
Monitoring	1=never, 6=always	3.2	3.2	0.0	0.557	-0.08	
Prevention-of-harm strategies	1=almost never, 5=very often	3.9	3.8	0.0	0.723	0.05	

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For ages 6-8, parent reports were available for 279 children; and child reports were available for 279 children. For ages 9-12, parent reports were available for 303 children; and child reports were available for 303 children. For ages 13-16, parent reports were available for 234 children; and child reports were available for 234 children. Actual sample sizes for individual measures may vary as a result of missing data. Children ages 6 to 8 were not asked items about parents' acceptance and involvement or monitoring and, therefore, do not have scores for the two aggregate measures "positive youth-parent relations" and "negative youth-parent relations."

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Impacts by Ethnic Group. Impacts on parenting according to children’s ethnicity are presented in Appendix Table E.5.2. The few differences in program impacts across ethnic groups suggest that New Hope had some positive effects in this domain for African-American families, who reported more effective child management skills, including fewer problems controlling their child. African-American program group parents also reported slightly more regular family routines and higher levels of monitoring (both findings were statistically insignificant), and they engaged in more behaviors to prevent their children from getting into trouble. In contrast, Hispanic parents in New Hope reported less effective child management and more problems with control, discipline, and parental stress (though program-control differences were statistically insignificant). They also reported less regular family routines (statistically insignificant) and less monitoring of their children than Hispanic parents in the control group. For white families, New Hope had no significant impacts on measures of parenting and parent-child relations.

Comparison with Two-Year Impacts on Parenting

The effects of New Hope on parenting after five years were slightly greater than those measured at the two-year follow-up. At both times, the impacts were weak and scattered. At the two-year follow-up, there were no overall impacts on parenting, but for parents who were employed at baseline, there were some indications that New Hope led to increased warmth and monitoring.²⁸ At the five-year follow-up, however, employment status at baseline did not moderate the impact of New Hope, suggesting that this distinction was not crucial as a modifier of parenting effects once New Hope ended. The importance of this distinction might well have been muted by the varied employment experiences that both program and control group parents had over the course of the post-New Hope period.

At the two-year follow-up, program group boys reported more positive relations with their parents than control group boys, and their parents reported fewer problems controlling their children. At the five-year follow-up, positive effects continued to be evident for boys and not for girls, although the effect sizes were generally small to modest. As in the two-year follow-up, at five years, program group boys reported slightly more positive relations with their parents — a composite variable that reflects higher parental monitoring, acceptance, and involvement and more positive parent-child relations.

New Hope affected parenting behavior differently for children of different ages at the five-year follow-up, but not at the two-year follow-up. The five-year follow-up included chil-

²⁸Analyses of five-year impacts for parents employed and not employed at baseline showed only one significant impact, and it was not consistent in direction with the two-year findings. As there were no differences in child impacts by employment at baseline, these analyses are not reported here.

Box 5.1

Parent-Child Relationships Mediate Adolescents' Adjustments to Increased Parental Employment

Observations from the New Hope Ethnographic Study (NHES) illustrate the importance of parent-child relationships as parents increased employment in response to New Hope.* Parents who were working and who had an “understanding” relationship with their teenagers — a relationship that included feelings of mutuality, trust, and support — tended to have children with fewer problem behaviors and conflicts than did working parents who had a more problematic relationship with their children. Work requirements and incentives to work led mothers to spend less time at home, where they could be directly available to watch and monitor their children’s activities. During morning and afternoon and evening “gap times” (when there was no school but parents were at work), trust and shared caretaking becomes particularly valuable. Families benefit from a kind of “social capital” that comes into play at such times. Monitoring indirectly through other children and through negotiated agreements between parents and children is common. Adolescents are needed to perform chores and to care for siblings, and it is important that they can be trusted to stay home safely alone. Without the kind of trust that is associated with successful parental balancing of work and caretaking, adolescents and parents negotiate these gap times less well, and youth fare less well.

*Weisner, Gibson, Lowe, and Romich, 2002.

dren in mid to late adolescence, a time when issues of monitoring, control, and autonomy are especially salient (see Box 5.1). New Hope parents reported more effective management of their 13- to 16-year-olds than did control group parents, and they expressed more confidence in their ability to prevent their children from harm. It is highly plausible that all of the longer-term program effects discussed here reflect, in part, parents’ *responses* to improvement in children’s behavior over time (for example, higher academic performance, more positive behavior, and less problem behavior), stimulated initially by various conditions produced by New Hope (such as increased time spent in before/after-school programs, more frequent participation in structured activities, and more warm and effective parenting).²⁹ Box 5.1 describes how the quality of parent-child relations affect adolescents’ adjustments to increased parental employment.

²⁹Huston et al., 2001; Lytton, 1990.

Impacts on Child Care

Measures of Child Care

Parents were asked about the number of months during the prior year that they used each of their regular child care arrangements while they were working or away from home. For both the school year and the summer, parents were asked whether the focal child had been in any *formal care* (including preschool, before/after-school, community center, or Head Start), *home-based care* by an adult in the family's home or the caregiver's home, or care by someone 16 years old or younger; and whether the child had ever cared for him- or herself or had ever provided care for siblings. For analysis purposes, care by a minor, self-care, and caring for siblings were further categorized as *care unsupervised by an adult*.

Parents were asked whether they had paid for any of the child care arrangements they had used in the past year and, if so, whether the care had been paid for by themselves, a spouse or partner, another family member, or the welfare department or other public agency. Finally, parents were asked how much money they (or another family member) had spent on child care in the past month for all of their children.

Program Impacts

Impacts for the Entire Survey Sample. There were large and consistent program impacts on the types of child care experienced by the children in the survey sample families. Children from program group families spent significantly more time in center-based care and significantly less time in home-based care than children from control group families. As shown in Table 5.4, these program-control group differences in care arrangements occurred both during the school year and during the summer months. Program group children also spent less time being cared for by a minor during the summer. Across the whole year, program impacts translated into an average of one additional month of formal care, one month less of home-based care, and approximately two-thirds of a month less of unsupervised care. Despite differences in the types of care they used, program and control group families did not differ in their use of paid care, the amount they paid for child care out of pocket, or their receipt of public child care assistance (that is, from an agency or welfare department).

Impacts by Child's Gender and Age. Impacts on child care did not differ by the child's gender and are not shown. The impacts by the child's age at follow-up are shown in Table 5.5. Program effects occurred only for children age 12 and younger, as might be expected.

For children ages 6 to 8, New Hope families used formal care during the school year and during the summer for more months than did control group families. Control group families used more home-based care, usually in the child's home.

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Table 5.4

Impacts on Child Care Use and Monthly Child Care Costs for the Survey Sample

Outcome	Program Group	Control Group	Difference	P-Value	Effect Size ^a
During the prior school year, number of months spent in					
Any formal care	3.0	2.1	0.8 **	0.014	0.22
Any home-based care:	3.7	4.6	-0.9 **	0.020	-0.21
In child's home	2.4	3.6	-1.1 ***	0.002	-0.28
In caregiver's home	2.0	2.2	-0.1	0.684	-0.04
Any unsupervised care:	2.1	2.4	-0.4	0.235	-0.10
Care by a minor	0.9	1.1	-0.2	0.361	-0.08
Self-care	0.8	1.2	-0.3	0.135	-0.13
Cared for sibling(s)	0.9	1.1	-0.2	0.304	-0.09
During the prior summer, number of months spent in					
Any formal care	1.0	0.6	0.3 ***	0.009	0.25
Any home-based care:	1.4	1.7	-0.3 **	0.016	-0.22
In child's home	0.9	1.3	-0.4 ***	0.004	-0.27
In caregiver's home	0.7	0.7	0.0	0.826	-0.02
Any unsupervised care:	0.5	0.8	-0.2 **	0.041	-0.18
Care by a minor	0.2	0.3	-0.2 **	0.030	-0.20
Self-care	0.3	0.3	-0.1	0.405	-0.07
Cared for sibling(s)	0.3	0.3	0.0	0.669	-0.04
During the prior year, number of months spent in					
Any formal care	3.7	2.6	1.1 ***	0.008	0.23
Any home-based care	4.9	6.1	-1.2 ***	0.008	-0.24
Any unsupervised care	2.6	3.2	-0.6	0.128	-0.13
Ever used paid child care during prior year (%)	42.7	37.3	5.4	0.218	0.11
Out-of-pocket child care costs in prior month (\$)	43.4	37.9	5.5	0.573	0.05
Received child care subsidy from welfare or other agency (%)	16.4	16.7	-0.3	0.913	-0.01
Sample size	417	412			

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

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Table 5.5

Impacts on Child Care Use and Monthly Child Care Costs, by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Ages 6-8						
During the prior school year, number of months spent in						
Any formal care	3.1	2.0	1.1 **	0.046	0.28	0.863
Any home-based care:	3.7	4.8	-1.0 *	0.070	-0.24	0.673
In child's home	2.2	3.4	-1.2 **	0.032	-0.30	0.790
In caregiver's home	2.6	3.1	-0.5	0.329	-0.15	0.532
Any unsupervised care:	1.4	1.2	0.3	0.504	0.07	0.016 ††
Care by a minor	1.1	0.8	0.3	0.299	0.12	0.043 ††
Self-care	0.2	0.3	-0.1	0.371	-0.05	0.327
Cared for sibling(s)	0.4	0.5	0.0	0.964	0.00	0.100 †
During the prior summer, number of months spent in						
Any formal care	1.0	0.5	0.5 **	0.012	0.38	0.589
Any home-based care:	1.4	1.6	-0.2	0.247	-0.15	0.790
In child's home	0.8	1.1	-0.4 *	0.050	-0.26	0.717
In caregiver's home	0.9	0.8	0.0	0.810	0.04	0.753
Any unsupervised care:	0.4	0.4	-0.1	0.665	-0.04	0.356
Care by a minor	0.2	0.2	0.0	0.890	-0.02	0.204
Self-care	0.1	0.1	0.0	0.802	-0.02	0.784
Cared for sibling(s)	0.1	0.1	0.0	0.983	0.00	0.393
During the prior year, number of months spent in						
Any formal care	5.1	3.6	1.4 **	0.025	0.31	0.383
Any home-based care	5.0	6.3	-1.3 *	0.059	-0.25	0.694
Any unsupervised care	1.7	1.6	0.2	0.737	0.03	0.024 ††
Out-of-pocket child care costs in prior month (\$)	63.8	69.4	-5.5	0.780	-0.05	0.194
Sample size	139	141				
Ages 9-12						
During the prior school year, number of months spent in						
Any formal care	1.8	0.8	1.0 *	0.074	0.25	
Any home-based care:	4.1	4.8	-0.8	0.178	-0.18	
In child's home	2.6	3.7	-1.2 **	0.037	-0.29	
In caregiver's home	2.0	1.9	0.1	0.871	0.02	
Any unsupervised care:	1.7	3.0	-1.3 ***	0.004	-0.36	

(continued)

Table 5.5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Care by a minor	0.8	1.6	-0.8 **	0.016	-0.31	
Self-care	0.8	1.5	-0.7 *	0.055	-0.25	
Cared for sibling(s)	0.5	1.3	-0.8 **	0.020	-0.28	
During the prior summer, number of months spent in						
Any formal care	0.7	0.4	0.2	0.172	0.18	
Any home-based care:	1.4	1.8	-0.4 **	0.046	-0.26	
In child's home	1.0	1.4	-0.4 **	0.030	-0.30	
In caregiver's home	0.6	0.7	-0.1	0.434	-0.10	
Any unsupervised care:	0.5	0.8	-0.3 **	0.047	-0.26	
Care by a minor	0.2	0.5	-0.3 **	0.025	-0.34	
Self-care	0.2	0.3	-0.1	0.440	-0.09	
Cared for sibling(s)	0.2	0.3	-0.1	0.240	-0.16	
During the prior year, number of months spent in						
Any formal care	3.7	2.6	1.1 *	0.076	0.24	
Any home-based care	5.3	6.6	-1.2 *	0.071	-0.24	
Any unsupervised care	2.2	3.8	-1.7 ***	0.003	-0.36	
Out-of-pocket child care costs in prior month (\$)						
	45.6	24.3	21.3 *	0.089	0.18	
Sample size	136	159				
<u>Ages 13-16</u>						
During the prior school year, number of months spent in						
Any formal care	1.4	1.2	0.3	0.565	0.07	
Any home-based care:	3.3	3.7	-0.3	0.579	-0.08	
In child's home	2.6	3.4	-0.7	0.233	-0.18	
In caregiver's home	1.5	1.3	0.2	0.713	0.05	
Any unsupervised care:	3.4	3.3	0.0	0.964	0.01	
Care by a minor	0.8	1.0	-0.2	0.516	-0.09	
Self-care	1.8	2.0	-0.2	0.747	-0.07	
Cared for sibling(s)	1.9	1.7	0.2	0.700	0.08	
During the prior summer, number of months spent in						
Any formal care	0.6	0.5	0.1	0.423	0.12	
Any home-based care:	1.3	1.6	-0.2	0.269	-0.17	
In child's home	1.1	1.3	-0.2	0.331	-0.15	

(continued)

Table 5.5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
In caregiver's home	0.6	0.6	0.0	0.908	-0.01	
Any unsupervised care:	0.9	1.1	-0.2	0.294	-0.18	
Care by a minor	0.1	0.2	-0.1	0.181	-0.16	
Self-care	0.7	0.8	-0.1	0.612	-0.11	
Cared for sibling(s)	0.5	0.4	0.1	0.586	0.10	
During the prior year, number of months spent in:						
Any formal care	1.9	1.5	0.4	0.424	0.09	
Any home-based care:	4.5	5.1	-0.5	0.487	-0.10	
Any unsupervised care:	4.2	4.3	-0.1	0.931	-0.01	
Out-of-pocket child care costs in prior month (\$)						
	13.4	18.1	-4.7	0.642	-0.04	
Sample size	131	107				

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

For children ages 9 to 12 — the years when most children discontinue formal child care — the major program impacts occurred for unsupervised care. Program group children spent less time than control group children in unsupervised care, including care by a minor, self-care, or caretaking responsibility for other children. Over the entire year, they spent less time in home-based care, less time in any unsupervised care, and more time in formal care.

Impacts by Parents’ Barriers to Employment. There were few differences in impacts on child care according to parents’ barriers to employment at random assignment (see Appendix Table E.5.3). The impact of New Hope on the use of formal care during the school year was concentrated in the group of parents who had no initial barriers to employment. In addition, program group parents in this “no barriers” group reported paying significantly more for child care than control group parents did.

Impacts by Ethnic Group. New Hope led to increased use of formal care for children from African-American, Hispanic, and white families; however, there were some differences among these groups in program effects on other types of care. The negative program impacts on families’ use of home-based and unsupervised care were strongest for children in white families. In contrast, for children in Hispanic families, New Hope led to slightly more time in unsupervised settings (though program-control group differences in this subgroup were not statistically significant). These subgroup results are presented in Appendix Table E.5.4.

Comparison with Two-Year Impacts on Child Care

Despite the fact that program group families did not have access to New Hope’s child care assistance after Year 3, they continued to use more formal care than control group families, as they had during the first two years of the program. Moreover, the five-year findings suggest that the increased use of formal arrangements by program group families translated into reductions in the use of home-based care and of care that was unsupervised by an adult.

New Hope’s two-year impacts on formal care may be attributed to its child care subsidy, which made this type of arrangement more affordable and more accessible. Why would families continue to use different types of care two years after the end of the program (and five years after random assignment), especially given the absence of sizable long-term effects on earnings and income? Perhaps, with initial experience in securing formal, center-based arrangements for their children, parents were more familiar with and better able to continue using such arrangements in the future. Qualitative data from the New Hope Ethnographic Study suggest that low-income parents like the stability and predictability of formal care when used for employment purposes.³⁰ Indeed, the use of formal care may be related to New Hope parents’ greater stability of employment.

³⁰Lowe and Weisner, 2001.

Stable employment makes it possible to sustain center-based care; the reliability of such care may also have contributed to parents' ability to maintain stable employment.

Parents may have perceived some positive effects of formal care for their children. In ethnographic interviews, parents said they thought that formal care contributes to children's academic skills. Recent research indicates that children who attend child care centers in the infant and pre-school years perform better on cognitive and language tasks and show better school achievement than do those who spend time in home-based care of comparable quality.³¹ The positive effects of center-based care endure into the first few years of school.³² The two-year impacts of New Hope on children's academic functioning may, in part, reflect benefits of increased time in center-based care. Box 5.2 provides ethnographic evidence that some parents worked to maintain the same type of child care arrangements that they had established during New Hope.

Finally, as mentioned in Chapter 2, New Hope project representatives worked to help families adjust to the loss of New Hope benefits at the end of the three-year program. Project representatives may have increased participants' awareness of other resources for child care assistance (to replace the New Hope child care subsidy) and may have helped them transition to the W-2 subsidy system. This may have contributed to the sustained positive effect of New Hope on the use of formal child care. However, it is noteworthy that by two years after New Hope's end, program group families were not more likely to be receiving any public child care assistance. Given that program families were not spending significantly more money out of pocket on child care than control group families were — despite their increased use of formal care — it may be that they were able to negotiate or access resources for child care outside the W-2 system.

Impacts on Children's Activities

Measures of Children's Activities

Parents reported on all focal children's use of time and on their participation in out-of-school activities, and children ages 9 to 16 also provided self-reports. Respondents were asked first about participation in activities during the school year and then about activities during the summer. With the exception of television viewing, responses for all questions were assessed using a five-point scale ranging from "never" to "about every day."

Structured Activities. Respondents reported how frequently children participated in lessons, organized sports, clubs and youth groups, and religious classes and events and how

³¹NICHD Early Child Care Research Network, 2000; Zaslow, McGroder, Cave, and Mariner, 1999.

³²Yoshikawa, 1999; Broberg, Wessels, Lamb, and Hwang, 1997.

Box 5.2

Parents Who Put Their Young Children in Child Care or After-School Programs Generally Had Positive Experiences That Carried Over After New Hope's Benefits Ended

Parents hold strong opinions about child care, and those beliefs shape their child care decisions. Some families in the New Hope Ethnographic Study (NHES) sample described profound distrust of strangers working in child care centers or in family child care homes. Fearing that their young children would be neglected or abused physically or sexually, they cobbled together child care from their friends and relatives or chose to stay at home to care for their children themselves. They pieced together financial support from boyfriends, spouses, friends, relatives, or the state. Other parents believed that the home environment they could provide their children was neither socially nor academically stimulating enough, and they sought child care opportunities that would supplement home care. Many parents found it best to blend home care and some degree of center care.

When need and opportunity in the form of financial supports induced parents to try care options that they previously had felt were undesirable (particularly child care centers), they often formed positive judgments about the impact on their children. Evelia, a Puerto Rican single mother of four in the control group, worked an eight-hour shift beginning at 3 P.M. She did not trust that her 3-year-old daughter, Lisa, would be safe in a daycare center, and she also doubted that she could find a center that would cover her late work hours (a well-founded belief), so she left Lisa with her three older children — the oldest of whom was 13 — or with nearby relatives. Eventually Evelia started working the early shift. Partly because her relatives were unable to provide reliable care at that time, she applied for child care subsidies from Wisconsin Works (W-2) and — despite her misgivings — chose a center for Lisa. After a few months, Evelia was thrilled with the center. She thought that Lisa had learned a lot in a short amount of time, including lessons that Evelia could not have taught at home.

Families in New Hope had similar experiences, in which a combination of work, subsidies, and support from New Hope representatives encouraged them to enroll their children in formal child care and to sustain these arrangements over time. When these families' eligibility for New Hope benefits ended, they effectively negotiated supports to keep their children in the care settings they preferred. Andrea, a single African-American mother of a preschool-age daughter, realized in 1995 that she could not remain on AFDC to care for her daughter indefinitely and would have to find work to support the family. With her brother's help, she found a job as a housekeeper at the community center, learned about and signed up for New Hope, and used the program's child care subsidy to place her daughter in full-time child care. She maintained these arrangements for the three years of her New Hope eligibility. When that ended, she was concerned about finding a child care arrangement that would continue the same kind of program and that she could afford. Fortunately, Andrea was able to enroll her daughter in a local school program that covered most of her child care needs, with the exception of a short time in the morning and in the afternoon. She arranged to have these periods covered by the former child care center that her daughter had attended since infancy, and the school program provided bus service to and from the center.

often they attended recreation or community centers. These five activities were classified as “structured activities” at the two-year evaluation, because they afforded opportunities for adult supervision, the acquisition of skills, and socializing with peers. A summary score for structured activities was computed from the average of these five activities.

In addition, respondents were asked about participation in programs to help with schoolwork, before/after-school programs, daycamp, and summer school.

Service and Work for Pay. One question asked about children’s participation in service or volunteer activities. Another question asked about work for pay away from home. These questions were asked only about children ages 9 and older.

Parent Approval. Parents were asked about the extent to which they considered participation in five activities to be beneficial or harmful for their child, using a five-point scale. The activities were lessons, sports with a coach, clubs and youth groups, recreation centers, and working for pay. The average of their answers was the score for parent approval.

Social Activities. One question asked how often children went shopping or out to eat with an adult family member. Another asked about hanging out with friends without an adult.

Media Use. Questions about the frequency of television viewing at three different times of day on weekdays and weekends were asked for the school year. The response scale was five points, ranging from “none” to “three or more hours” per day.

Program Impacts

Impacts for the Entire Survey Sample. As shown in Table 5.6, program group parents reported that their children engaged in significantly more religious classes and events than control group children, both during the school year and during the summer. Program group children spent less time in daycamp or summer school.

Parents in the program group reported that their children spent more time in service or volunteer activities during the summer. During the school year, program group children worked for pay more than control group children did, although this impact was only marginally significant ($p = .12$).

There were small and inconsistent effects on children’s social activities. Parents in both groups reported less shopping and eating out by their children, but children in New Hope families reported more such activities than control group children. There were no overall effects on media use.

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Table 5.6

Impacts on Children's Activities for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Structured activities - school year	1=never, 5=about every day					
Total structured activities: parent report		2.4	2.3	0.1	0.218	0.10
Lessons		2.1	2.2	-0.1	0.160	-0.11
Sports with a coach		2.3	2.3	0.1	0.425	0.06
Club/youth group		2.4	2.2	0.2	0.199	0.10
Religious class or activity		2.9	2.7	0.2 **	0.028	0.18
Community center		2.4	2.3	0.1	0.238	0.10
School-related programs: parent report						
Program to help with school		2.3	2.3	0.0	0.705	0.03
Before/after-school program		2.2	2.0	0.2 *	0.098	0.14
Total structured activities: child report		2.6	2.6	0.1	0.532	0.06
Lessons		2.5	2.5	0.0	0.767	0.03
Sports with coach		2.7	2.7	0.0	0.906	0.01
Club/youth group		2.3	2.3	0.0	0.864	0.02
Religious class or activity		3.1	2.9	0.1	0.325	0.10
Community center		2.5	2.4	0.0	0.784	0.03
School-related programs: child report						
Program to help with school		2.0	2.1	-0.1	0.480	-0.07
Before/after-school program		1.6	1.5	0.1	0.357	0.09
Structured activities - summer	1=never, 5=about every day					
Total structured activities: parent report		2.2	2.2	0.1	0.368	0.08
Lessons		1.7	1.8	0.0	0.903	-0.01
Sports with a coach		2.0	2.1	-0.1	0.632	-0.04
Club/youth group		2.2	2.1	0.1	0.539	0.05
Religious class or activity		2.9	2.5	0.3 **	0.010	0.22
Community center		2.4	2.3	0.0	0.758	0.03
School-related programs: parent report						
Summer school		2.1	2.3	-0.2	0.247	-0.10
Daycamp		1.7	1.9	-0.2 *	0.080	-0.15
Total structured activities: child report		2.2	2.1	0.1	0.307	0.10
Lessons		1.6	1.6	0.0	0.814	-0.02
Sports with a coach		2.2	2.2	0.0	0.840	0.02
Club/youth group		1.9	1.8	0.2	0.200	0.12
Religious class or activity		3.0	2.7	0.3 **	0.021	0.22
Community center		2.3	2.3	-0.1	0.625	-0.05
School-related programs: child report						
Summer school		1.9	2.3	-0.4 **	0.019	-0.22
Daycamp		1.7	1.7	0.0	0.913	-0.01

(continued)

Table 5.6 (continued)

Outcome	Range	Program Control		Difference	P-Value	Effect Size ^a
		Group	Group			
Service and work for pay - school year	1=never, 5=about every day					
Service and volunteer: parent report		1.7	1.6	0.1	0.263	0.08
Service and volunteer: child report		1.8	1.9	-0.1	0.737	-0.04
Work for pay: parent report		1.5	1.4	0.1	0.120	0.11
Work for pay: child report		2.0	1.8	0.2	0.203	0.15
Service and work for pay - summer						
Service and volunteer: parent report		1.7	1.4	0.3 ***	0.001	0.27
Service and volunteer: child report		1.6	1.7	-0.1	0.697	-0.05
Work for pay: parent report		1.4	1.4	0.1	0.235	0.09
Work for pay: child report		2.2	2.1	0.1	0.523	0.08
Parent approval of participation	1=not at all, 5=a lot	2.9	2.8	0.1	0.440	0.06
Social activities - school year	1=never, 5=about every day					
Shop or eat out with adult: parent report		3.3	3.4	0.0	0.528	-0.05
Hang out with friends: parent report		2.8	2.9	-0.1	0.447	-0.06
Shop or eat out with adult: child report		3.4	3.4	0.0	0.600	0.05
Hang out with friends: child report		3.8	3.7	0.0	0.907	0.01
Social activities - summer	1=never, 5=about every day					
Shop or eat out with adult: parent report		3.3	3.5	-0.1 **	0.042	-0.17
Hang out with friends: parent report		2.9	2.9	0.0	0.984	0.00
Shop or eat out with adult: child report		3.5	3.3	0.2 *	0.051	0.18
Shop or eat out with adult: child report		3.9	3.7	0.1	0.390	0.08
Television - school year	1=none, 5=three or more hours					
Watch TV (hours/day): parent report		2.7	2.7	0.0	0.380	-0.07
Watch TV (hours/day): child report		3.1	3.2	-0.1	0.311	-0.10

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Parent reports were available for 830 children; and child reports were available for 840 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

Impacts by Child’s Gender. Most of the impacts (or lack of impacts) on children’s activities were similar for boys and girls; however, as shown in Table 5.7, there were a few differences by gender. Program group boys reported more time shopping and eating out, and less television viewing, than boys in control group families. For girls, youth and parent reports generated conflicting information about participation in service activities; New Hope parents reported more participation during the summer — but their daughters reported less participation — than did parents in control group families. Similarly, New Hope girls reported less shopping and eating out with an adult than did control group girls. There were no program effects on girls’ media use.

Daggers in the column labeled “P-Value for Difference Between Boys and Girls” indicate that the program impacts on boys were significantly different than the impacts on girls for a number of the youth-reported variables, but not for the parent-reported variables. For total participation in structured activities, boys’ reports indicated slightly positive program impacts, but girls’ reports indicated slightly negative impacts. Similarly, boys’ reports indicated more positive impacts on participation in service activities than did girls’ reports.

Impacts by Child’s Age. Given the wide age range of the children, different patterns of participation in activities were expected for different age groups. The pattern of impacts across ages was similar in some respects, as shown in Table 5.8. In particular, the pattern of higher participation in religious classes and related activities appeared across all three age groups, although it was more pronounced for adolescents aged 13 to 16 than for the two groups of younger children. Moreover, program youth ages 13 to 16 participated more frequently in structured activities overall than control group youth. The oldest group was also the only one in which program group parents were more likely than control group parents to approve of their children’s participation in structured activities.

The youngest program group children (ages 6 to 8) were more likely than control group children to attend before/after-school programs as well as summer school, perhaps because their parents used these programs as child care.

The program group children ages 9 and older were less likely than control group children to attend summer school, possibly because they were less likely to be performing poorly in school. Children over age 9 in the program group were more likely than their control group counterparts to participate in service activities, at least according to parent reports. Youth reports among the younger children indicated less participation in volunteer activities by the program group than the control youth (Table 5.8). Surprisingly, New Hope’s impact on work for pay was greater for children ages 9 to 12 than for the older children.

Program group children ages 9 to 12 spent less time shopping and eating out with an adult than control group children, and they spent correspondingly more time hanging out with

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Table 5.7

Impacts on Children's Activities, by Gender

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Boys							
Structured activities - school year							
Total structured activities: parent report	1=never, 5=about every day	2.4	2.3	0.1	0.183	0.14	0.471
Lessons		1.9	2.1	-0.2	0.182	-0.13	0.964
Sports with a coach		2.5	2.3	0.3 *	0.089	0.18	0.125
Club/youth group		2.3	2.1	0.2	0.220	0.13	0.644
Religious class or activity		2.9	2.6	0.2 *	0.087	0.18	0.753
Community center		2.5	2.3	0.1	0.395	0.10	0.970
School-related programs: parent report							
Program to help with school		2.2	2.2	0.0	0.991	0.00	0.801
Before/after-school program		2.1	2.0	0.1	0.706	0.04	0.226
Total structured activities: child report							
Lessons		2.4	2.3	0.0	0.900	0.02	0.802
Sports with a coach		3.2	3.0	0.2	0.284	0.14	0.124
Club/youth group		2.3	2.2	0.1	0.760	0.04	0.765
Religious class or activity		3.1	2.8	0.3	0.114	0.20	0.093 †
Community center		2.8	2.5	0.3	0.214	0.17	0.071 †
School-related programs: child report							
Program to help with school		2.1	2.0	0.1	0.683	0.05	0.158 †
Before/after-school program		1.6	1.4	0.2	0.173	0.17	0.242
Structured activities - summer							
1=never, 5=about every day							
Total structured activities: parent report		2.2	2.2	0.0	0.725	0.04	0.700
Lessons		1.6	1.7	-0.1	0.299	-0.10	0.212
Sports with a coach		2.1	2.2	-0.1	0.523	-0.07	0.768

(continued)

Table 5.7 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Club/youth group		2.2	2.1	0.1	0.481	0.08	0.771
Religious class or activity		2.8	2.6	0.2	0.222	0.13	0.435
Community center		2.5	2.4	0.1	0.675	0.05	0.742
School-related programs: parent report							
Summer school		2.3	2.4	-0.1	0.662	-0.05	0.508
Daycamp		1.7	1.9	-0.2	0.238	-0.13	0.652
Total structured activities: child report							
Lessons		1.6	1.5	0.1	0.379	0.12	0.158
Sports with a coach		2.8	2.5	0.3	0.229	0.17	0.104 †
Club/youth group		1.9	1.8	0.2	0.382	0.12	0.994
Religious class or activity		3.0	2.6	0.3 *	0.071	0.23	0.744
Community center		2.4	2.5	0.0	0.827	-0.03	0.799
School-related programs: child report							
Summer school		2.0	2.3	-0.2	0.238	-0.15	0.194
Daycamp		1.6	1.7	-0.1	0.595	-0.07	0.697
Service and work for pay - school year		1=never, 5=about every day					
Service and volunteer: parent report		1.6	1.6	0.0	0.854	0.02	0.373
Service and volunteer: child report		2.0	1.8	0.2	0.289	0.19	0.027 ††
Work for pay: parent report		1.5	1.4	0.1	0.284	0.11	0.886
Work for pay: child report		2.1	1.9	0.2	0.459	0.13	0.958
Service and work for pay - summer		1=never, 5=about every day					
Service and volunteer: parent report		1.6	1.4	0.2 *	0.070	0.18	0.167
Service and volunteer: child report		1.8	1.6	0.2	0.426	0.15	0.036 ††
Work for pay: parent report		1.5	1.4	0.1	0.434	0.09	0.791
Work for pay: child report		2.2	2.1	0.1	0.850	0.03	0.803

(continued)

Table 5.7 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Parent approval of participation	1=not at all, 5=a lot	2.9	2.9	0.0	0.831	-0.02	0.281
Social activities - school year	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.3	3.3	0.0	0.709	0.04	0.132
Hang out with friends: parent report		3.0	3.0	-0.1	0.592	-0.05	0.891
Shop or eat out with adult: child report		3.5	3.2	0.2 **	0.036	0.29	0.003 †††
Hang out with friends: child report		4.0	3.8	0.2	0.433	0.10	0.276
Social activities - summer	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.3	3.5	-0.2 *	0.054	-0.21	0.750
Hang out with friends: parent report		3.1	3.0	0.0	0.993	0.00	0.897
Shop or eat out with adult: child report		3.5	3.1	0.3 ***	0.005	0.37	0.069 †
Hang out with friends: child report		4.1	3.9	0.1	0.462	0.09	0.959
Television - school year	1=none, 5=three or more hours						
Watch TV (hours/day): parent report		2.7	2.7	0.0	0.654	-0.04	0.576
Watch TV (hours/day): child report		3.0	3.3	-0.3 ***	0.004	-0.33	0.026
Girls							
Structured activities - school year	1=never, 5=about every day						
Total structured activities: parent report		2.4	2.4	0.0	0.717	0.04	
Lessons		2.2	2.4	-0.2	0.223	-0.14	
Sports with a coach		2.2	2.2	-0.1	0.725	-0.04	
Club/youth group		2.4	2.3	0.1	0.540	0.07	
Religious class or activity		2.9	2.7	0.2	0.209	0.14	
Community center		2.4	2.2	0.2	0.383	0.10	

(continued)

Table 5.7 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
School-related programs: parent report							
Program to help with school		2.3	2.3	0.1	0.762	0.04	
Before/after-school program		2.2	1.9	0.3 *	0.061	0.20	
Total structured activities: child report		2.5	2.6	-0.1	0.237	-0.16	
Lessons		2.6	2.6	0.0	0.822	-0.03	
Sports with a coach		2.3	2.5	-0.2	0.307	-0.13	
Club/youth group		2.3	2.4	0.0	0.912	-0.01	
Religious class or activity		2.9	3.1	-0.1	0.472	-0.10	
Community center		2.1	2.4	-0.3	0.198	-0.16	
School-related programs: child report							
Program to help with school		1.9	2.3	-0.3	0.133	-0.21	
Before/after-school program		1.5	1.5	-0.1	0.759	-0.04	
Structured activities - summer	1=never, 5=about every day						
Total structured activities: parent report		2.2	2.1	0.1	0.409	0.09	
Lessons		1.9	1.8	0.1	0.463	0.08	
Sports with a coach		1.9	1.9	0.0	0.795	-0.03	
Club/youth group		2.2	2.2	0.0	0.768	0.03	
Religious class or activity		2.9	2.5	0.3 **	0.025	0.24	
Community center		2.3	2.3	0.0	0.997	0.00	
School-related programs: parent report							
Summer school		1.9	2.2	-0.2	0.191	-0.15	
Daycamp		1.6	1.9	-0.3 *	0.083	-0.19	
Total structured activities: child report		2.1	2.1	0.0	0.831	-0.03	
Lessons		1.6	1.8	-0.2	0.296	-0.14	
Sports with a coach		1.7	1.9	-0.2	0.288	-0.12	
Club/youth group		1.9	1.8	0.2	0.389	0.11	
Religious class or activity		3.0	2.8	0.2	0.201	0.17	
Community center		2.1	2.2	-0.1	0.567	-0.08	

(continued)

Table 5.7 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
School-related programs: child report							
Summer school		1.8	2.4	-0.6 ***	0.005	-0.38	
Daycamp		1.8	1.8	0.0	0.992	0.00	
Service and work for pay - school year	1=never, 5=about every day						
Service and volunteer: parent report		1.8	1.7	0.2	0.201	0.14	
Service and volunteer: child report		1.5	2.0	-0.5 **	0.032	-0.36	
Work for pay: parent report		1.4	1.3	0.1	0.385	0.09	
Work for pay: child report		2.0	1.8	0.2	0.388	0.14	
Service and work for pay - summer	1=never, 5=about every day						
Service and volunteer: parent report		1.8	1.4	0.4 ***	0.001	0.38	
Service and volunteer: child report		1.4	1.8	-0.5 *	0.050	-0.39	
Work for pay: parent report		1.4	1.3	0.0	0.608	0.05	
Work for pay: child report		2.2	2.0	0.2	0.583	0.10	
Parent approval of participation	1=not at all, 5=a lot	2.9	2.7	0.2	0.223	0.13	
Social activities - school year	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.3	3.5	-0.1	0.117	-0.17	
Hang out with friends: parent report		2.7	2.8	-0.1	0.507	-0.07	
Shop or eat out with adult: child report		3.3	3.5	-0.2 **	0.044	-0.27	
Hang out with friends: child report		3.5	3.7	-0.2	0.453	-0.10	
Social activities - summer	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.4	3.5	-0.1	0.125	-0.17	
Hang out with friends: parent report		2.7	2.7	0.0	0.878	-0.02	
Shop or eat out with adult: child report		3.5	3.5	0.0	0.756	0.04	
Hang out with friends: child report		3.6	3.5	0.1	0.567	0.08	

(continued)

Table 5.7 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Boys and Girls ^b
Television - school year	1=none, 5=three or more hours						
Watch TV (hours/day): parent report		2.6	2.7	-0.1	0.246	-0.12	
Watch TV (hours/day): child report		3.1	3.0	0.1	0.578	0.08	

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For boys, parent reports were available for 424 children; and child reports were available for 424 children. For girls, parent reports were available for 401 children; and child reports were available for 401 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes of both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

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Table 5.8

Impacts on Children's Activities, by Age

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Ages 6-8							
Structured activities - school year		1=never, 5=about every day					
Total structured activities: parent report		2.2	2.2	0.0	0.973	0.00	0.184
Lessons		1.9	2.0	-0.2	0.335	-0.12	0.278
Sports with a coach		1.9	2.0	-0.2	0.345	-0.10	0.102 t
Club/youth group		2.1	2.0	0.1	0.783	0.04	0.397
Religious class or activity		2.8	2.7	0.1	0.534	0.07	0.170
Community center		2.2	2.1	0.1	0.461	0.09	0.832
School-related programs: parent report							
Program to help with school		2.3	2.0	0.3	0.166	0.19	0.273
Before/after-school program		2.8	2.3	0.5 **	0.019	0.34	0.185
Structured activities - summer		1=never, 5=about every day					
Total structured activities: parent report		2.1	2.0	0.1	0.371	0.11	0.378
Lessons		1.6	1.7	-0.1	0.599	-0.06	0.486
Sports with a coach		1.8	1.8	0.0	0.765	-0.03	0.927
Club/youth group		2.0	1.8	0.2	0.346	0.11	0.699
Religious class or activity		2.8	2.4	0.4 **	0.032	0.26	0.327
Community center		2.2	2.2	0.1	0.731	0.04	0.449
School-related programs: parent report							
Summer school		2.4	2.0	0.4 *	0.085	0.22	0.004 ttt
Daycamp		1.8	1.8	-0.1	0.778	-0.04	0.427
Parent approval of participation	1=not at all, 5=a lot	2.7	2.9	-0.2	0.173	-0.16	0.044 t

(continued)

Table 5.8 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Social activities - school year	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.4	3.5	-0.1	0.236	-0.16	0.605
Hang out with friends: parent report		2.5	2.4	0.0	0.840	0.03	0.652
Social activities - summer	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.4	3.5	-0.1	0.211	-0.16	0.874
Hang out with friends: parent report		2.5	2.3	0.2	0.305	0.13	0.441
Television - school year	1=none, 5=three or more hours						
Watch TV (hours/day): parent report		2.6	2.6	0.0	0.744	-0.04	0.914
<u>Ages 9-12</u>							
Structured activities - school year	1=never, 5=about every day						
Total structured activities: parent report		2.6	2.5	0.1	0.261	0.13	
Lessons		2.1	2.4	-0.3 *	0.092	-0.20	
Sports with a coach		2.6	2.3	0.3	0.118	0.19	
Club/youth group		2.6	2.5	0.1	0.505	0.08	
Religious class or activity		3.1	2.8	0.3	0.114	0.19	
Community center		2.6	2.3	0.3	0.144	0.18	
School-related programs: parent report							
Program to help with school		2.3	2.4	-0.1	0.519	-0.08	
Before/after-school program		2.1	2.0	0.0	0.834	0.03	
Total structured activities: child report		2.6	2.6	0.1	0.508	0.08	
Lessons		2.5	2.5	0.1	0.717	0.04	
Sports with a coach		2.7	2.6	0.1	0.479	0.08	

(continued)

Table 5.8 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Club/youth group		2.4	2.2	0.1	0.464	0.09	
Religious class or activity		3.0	3.1	-0.2	0.382	-0.11	
Community center		2.6	2.4	0.1	0.483	0.09	
School-related programs: child report							
Program to help with school		2.0	2.1	-0.1	0.520	-0.08	
Before/after-school program		1.9	1.7	0.3	0.168	0.22	
Structured activities - summer	1=never, 5=about every day						
Total structured activities: parent report		2.4	2.4	0.0	0.971	0.00	
Lessons		1.9	1.9	0.0	0.771	-0.04	
Sports with a coach		2.2	2.2	0.0	0.796	-0.03	
Club/youth group		2.4	2.4	0.0	0.924	-0.01	
Religious class or activity		3.0	2.8	0.2	0.230	0.15	
Community center		2.5	2.5	-0.1	0.707	-0.05	
School-related programs: parent report							
Summer school		2.0	2.5	-0.5 **	0.018	-0.30	
Daycamp		1.8	2.2	-0.4 *	0.052	-0.27	
Total structured activities: child report		1.9	1.9	0.0	0.596	-0.06	
Lessons		1.7	1.6	0.1	0.670	0.06	
Sports with a coach		2.2	2.2	0.0	0.905	0.01	
Club/youth group		1.8	1.8	0.0	0.854	0.02	
Religious class or activity		3.0	2.9	0.1	0.428	0.10	
Community center		2.3	2.5	-0.2	0.335	-0.13	
School-related programs: child report							
Summer school		2.0	2.4	-0.4 *	0.061	-0.24	

(continued)

Table 5.8 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Daycamp		1.9	1.9	0.0	0.813	0.03	
Service and work for pay - school year	1=never, 5=about every day						
Service and volunteer: parent report		1.8	1.6	0.2	0.247	0.15	
Service and volunteer: child report		1.9	2.0	-0.2	0.663	-0.12	
Work for pay: parent report		1.4	1.2	0.2 **	0.021	0.23	
Work for pay: child report		2.3	1.9	0.5	0.204	0.34	
Service and work for pay - summer	1=never, 5=about every day						
Service and volunteer: parent report		1.8	1.4	0.4 ***	0.002	0.40	
Service and volunteer: child report		1.4	1.9	-0.5 *	0.097	-0.46	
Work for pay: parent report		1.4	1.2	0.2 ***	0.014	0.24	
Work for pay: child report		2.2	1.9	0.3	0.393	0.21	
Parent approval of participation	1=not at all, 5=a lot	2.8	2.7	0.2	0.260	0.14	
Social activities - school year	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.3	3.3	0.0	0.966	0.01	
Hang out with friends: parent report		2.9	3.0	-0.1	0.444	-0.10	
Shop or eat out with adult: child report		3.4	3.4	0.0	0.984	0.00	
Hang out with friends: child report		3.6	3.4	0.2	0.424	0.11	
Social activities - summer	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.3	3.5	-0.2 *	0.080	-0.22	
Hang out with friends: parent report		3.0	3.1	-0.1	0.513	-0.08	
Shop or eat out with adult: child report		3.4	3.3	0.1	0.259	0.13	
Hang out with friends: child report		3.8	3.4	0.4 *	0.050	0.26	

(continued)

Table 5.8 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Television - school year		1=none, 5=three or more hours					
Watch TV (hours/day): parent report		2.7	2.7	0.0	0.633	-0.06	
Watch TV (hours/day): child report		3.1	3.2	0.0	0.675	-0.05	
<u>Ages 13-16</u>							
Structured activities - school year		1=never, 5=about every day					
Total structured activities: parent report		2.6	2.3	0.3 **	0.029	0.32	
Lessons		2.2	2.1	0.1	0.546	0.09	
Sports with a coach		2.7	2.4	0.3	0.177	0.20	
Club/youth group		2.5	2.1	0.4 *	0.065	0.27	
Religious class or activity		3.0	2.4	0.5 ***	0.005	0.41	
Community center		2.5	2.4	0.2	0.481	0.11	
School-related programs: parent report							
Program to help with school		2.3	2.3	0.0	0.949	-0.01	
Before/after-school program		1.6	1.4	0.1	0.371	0.09	
Total structured activities: child report		2.6	2.6	0.0	0.728	0.05	
Lessons		2.4	2.6	-0.1	0.561	-0.08	
Sports with a coach		2.8	2.8	0.0	0.936	-0.01	
Club/youth group		2.3	2.4	-0.1	0.651	-0.07	
Religious class or activity		3.2	2.6	0.5 **	0.011	0.39	
Community center		2.3	2.4	-0.1	0.730	-0.04	
School-related programs: child report							
Program to help with school		2.0	2.2	-0.1	0.589	-0.07	
Before/after-school program		1.2	1.2	-0.1	0.531	-0.06	
Structured activities - summer		1=never, 5=about every day					

(continued)

Table 5.8 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Total structured activities: parent report		2.3	2.0	0.2 *	0.075	0.25	
Lessons		1.7	1.5	0.2	0.336	0.13	
Sports with a coach		2.2	2.1	0.0	0.837	0.03	
Club/youth group		2.2	2.0	0.2	0.392	0.12	
Religious class or activity		2.9	2.3	0.6 ***	0.004	0.41	
Community center		2.5	2.2	0.3	0.212	0.18	
School-related programs: parent report							
Summer school		1.8	2.3	-0.4 *	0.053	-0.27	
Daycamp		1.5	1.7	-0.2	0.169	-0.17	
Total structured activities: child report		1.9	1.9	0.0	0.626	0.07	
Lessons		1.5	1.6	-0.1	0.389	-0.11	
Sports with a coach		2.3	2.1	0.1	0.594	0.07	
Club/youth group		2.0	1.8	0.2	0.195	0.18	
Religious class or activity		3.0	2.5	0.5 **	0.014	0.37	
Community center		2.2	2.2	0.0	0.944	0.01	
School-related programs: child report							
Summer school		1.8	2.2	-0.3	0.115	-0.21	
Daycamp		1.5	1.5	-0.1	0.747	-0.04	
Service and work for pay - school year	1=never, 5=about every day						
Service and volunteer: parent report		2.1	1.9	0.2	0.261	0.19	
Service and volunteer: child report		1.8	1.8	0.0	0.910	-0.02	
Work for pay: parent report		1.9	1.8	0.1	0.548	0.11	
Work for pay: child report		2.0	1.8	0.2	0.328	0.13	

(continued)

Table 5.8 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Across Age Groups ^b
Service and work for pay - summer	1=never, 5=about every day						
Service and volunteer: parent report		2.0	1.6	0.5 ***	0.007	0.46	
Service and volunteer: child report		1.6	1.6	0.0	0.896	0.02	
Work for pay: parent report		1.9	1.9	0.1	0.658	0.08	
Work for pay: child report		2.2	2.2	0.0	0.999	0.00	
Parent approval of participation	1=not at all, 5=a lot	3.2	2.9	0.3 *	0.080	0.27	
Social activities - school year	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.3	3.4	0.0	0.742	-0.05	
Hang out with friends: parent report		3.2	3.4	-0.2	0.340	-0.12	
Shop or eat out with adult: child report		3.4	3.3	0.1	0.544	0.09	
Hang out with friends: child report		3.9	4.2	-0.2	0.208	-0.16	
Social activities - summer	1=never, 5=about every day						
Shop or eat out with adult: parent report		3.4	3.5	-0.1	0.349	-0.13	
Hang out with friends: parent report		3.3	3.4	0.0	0.887	-0.02	
Shop or eat out with adult: child report		3.5	3.3	0.2	0.209	0.18	
Hang out with friends: child report		3.9	4.3	-0.4 *	0.085	-0.22	
Television - school year	1=none, 5=three or more hours						
Watch TV (hours/day): parent report		2.7	2.8	-0.1 0.00	0.444	-0.11	
Watch TV (hours/day): child report		3.0	3.1	-0.1 0.00	0.326	-0.15	

(continued)

Table 5.8 (continued)

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For ages 6-8, parent reports were available for 279 children; and child reports were available for 279 children. For ages 9-12, parent reports were available for 303 children; and child reports were available for 303 children. For ages 13-16, parent reports were available for 234 children; and child reports were available for 234 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

peers without an adult during the summer. The pattern was reversed for the older children: Program group youth spent less time hanging out with peers. Box 5.3 describes some parents' concerns about the potentially negative influences of adolescent peer groups.

Impacts by Parents' Barriers to Employment. For the most part, impacts did not differ across groups of children whose parents had different numbers of employment barriers; however, there were a couple of differences. Program group children whose parents had two or more potential barriers participated more in clubs/youth groups than control group children, and those whose parents had one potential barrier participated less in lessons (see Appendix Table E.5.5).

Impacts by Ethnic Group. On the whole, impacts were similar for children of different racial and ethnic groups. There were a few exceptions: Program group children in African-American families participated less in lessons, while program group children in white families worked less for pay than did control group children (see Appendix Table E.5.6).

Conclusion

At the five-year follow-up, New Hope's impacts on children's contexts outside the family were considerably stronger than its impacts on parenting and parent-child relations. The program had strong, lasting effects on child care. Despite the fact that New Hope subsidies did not continue into the year before the assessment, program group parents used more formal, center-based and after-school care and less home-based care than did control group parents, especially for their early elementary-school-age children. Their preadolescent children (ages 9 to 12) spent less time in unsupervised care, particularly during the summer. Given the evidence that center-based care and after-school programs can positively impact children's intellectual and cognitive development, these experiences may have contributed to the better academic performance of New Hope children at two years and at five years (see Chapter 6).³³

For children in late childhood and adolescence, involvement in structured and organized activities (religious, service, or volunteer) can offer advantages for positive development and protection from risk. Adolescent program group children participated in more structured activities, continuing a pattern begun three years earlier. Children of all ages in the program group participated more in classes and activities offered by religious institutions. During the summer, they spent more time in service or volunteer activities. Engaging in structured and civic activities is linked to positive psychosocial and academic outcomes for children in general, and it may be especially pertinent for low-income children, because they are often at risk for deviant behavior. Involvement in important institutions such as school and church may provide

³³Broberg, Wessels, Lamb, and Hwang, 1997; NICHD Early Child Care Research Network, 2000; Yoshikawa, 1999; Zaslow, McGroder, Moore, and LeMenestral, 1999.

Box 5.3

Parents of Adolescents Shared a Concern About Negative Peer Influences and Tried to Arrange Opportunities for Positive, Adult-Mentored Peer Activities

Although parents were sometimes fearful about adult strangers caring for their young children, their concerns for adolescent children shifted to the risks associated with the unsupervised peer group. One reason offered by several parents for enrolling their children in adult-mentored activities at local teen centers and in religious youth groups was to help protect their adolescents from the drugs, gangs, violence, and premature sexual activities that could put them on the wrong path into adulthood and instead provide opportunities for experiences with positive adult role models, enjoyable activities, and adult supervision.

Lisa, an African-American mother of three in the New Hope group, enrolled all three of her teenage sons in a local religious center for teens, which offered the boys assistance, tutoring, and a place to hang out with friends — in addition to regular studies of the Bible. Lisa encouraged her boys' participation in this center partly because she felt that her own involvement in a religious center as a teen had helped her to stay out of trouble. She was particularly pleased that her boys enjoyed participating in this organization. Her oldest son, Aaron, would even occasionally recruit some of his peers from the neighborhood to attend the center, because he felt it had made such a positive contribution in his life. Most of the boys' friends came from the center, and Lisa felt that none of them would be a "bad influence" on her boys, because none of them were involved with gangs or drugs. The center also gave her sons valuable leadership opportunities. For example, each boy participated in coaching a summer basketball league for kids.

In deciding whether or not to enroll their teenage children in community-based program for youth, several parents were clearly attempting to shape the kinds of peers to whom their sons or daughters might be exposed. Generally, parents were wary about programs that attracted what one parent called "the rough kids." Maria, a married Latina mother of four in the control group, refused to enroll her children in a local YMCA program for youth because she was concerned about the kinds of kids that participated in it — who she thought might be drawn from gangs, for example, and would be a negative influence on her children. She did enroll her oldest son, a teenager, in a local religious program that was designed to keep kids away from gangs and drugs. He attended the program every Saturday morning and seemed to enjoy it. Maria thought that the kids in this program would be a good influence in her son's life and that the lessons would protect him from the hazards that kids faced in the neighborhood and at school.

connections to supportive adults and prosocial peers that sustain a positive developmental trajectory. These generally positive impacts on children's participation in activities coincided with school engagement, educational expectations, feelings of efficacy, and positive social behavior (see Chapter 6).

By contrast, New Hope had relatively small impacts on parenting at both the two- and five-year follow-ups, but there were some trends for parents of program group adolescents to feel more in control and for boys and their parents to have more positive relationships. The slight increase in program impacts from two to five years could be a result of parents' responses to changes in children's behavior as well as direct effects of the program on parenting.

The findings in Chapter 6 show that the program impacts on children were stronger and more positive for boys than for girls. Although impacts on both parenting and out-of-school contexts were slightly more positive for boys than for girls, these differences do not appear to be sufficiently large to account for the different impacts on child outcomes. Finally, there were few consistent differences across impacts on parenting, child care, and children's activities according to parents' initial employment barriers or ethnicity.

Chapter 6

New Hope's Effects on Children

This chapter examines New Hope's outcomes for children and youth in four major domains: academic performance and expectations, motivations and beliefs, social behavior, and health. After a synopsis of the major findings, the chapter presents more detailed descriptions of the impacts on child outcomes and discusses how these outcomes may have come about.

Overall, children in New Hope families showed substantially better academic performance, somewhat higher levels of positive social behavior, and lower levels of negative behavior than did their control group counterparts at both the two- and five-year assessments, suggesting long-term effects on children's developmental pathways. The positive effects were strong and consistent for boys but were weaker and more mixed for girls. There were no impacts on adolescents' risky behavior.

Key Findings

- Children in the New Hope program group performed better than those in control group families on several measures of academic achievement. They scored higher on a nationally standardized test of reading achievement, and program group parents reported higher reading and literacy skills for their children. These patterns occurred for both boys and girls and across the age ranges studied. Teachers rated New Hope boys, but not New Hope girls, higher on achievement than control group children.
- Parents in New Hope families rated their children higher on positive social behavior than did parents in control group families, but there were not significant impacts on problem behavior. There were no overall effects on teachers' ratings of social behavior or on children's reports of delinquent actions or other risky behavior.
- Impacts of New Hope were larger and more consistent for boys than for girls, especially when teacher reports were considered. Teachers rated New Hope boys higher than control group boys on academic performance, appropriate classroom behavior, and positive social behavior. New Hope boys responded to hypothetical scenarios of peer provocation with less hostility than did control group boys. Teachers rated girls from New Hope families more negatively than they did control group girls. They rated program group girls lower

on appropriate classroom behavior and positive social behavior and higher on problem behaviors.

- Boys in the program group reported higher educational expectations and more engagement with school than did control group boys; there were not positive impacts on these measures for girls.
- Effects on children's psychological well-being were limited to adolescents (ages 13 to 16). Specifically, adolescents in New Hope families expressed more feelings of efficacy, greater engagement in school, higher expectations to attend and complete college, and stronger beliefs about the importance of community in their future lives than did adolescents in control group families.
- There were no program impacts on peer relations or on risky behavior for either gender.
- There were few program impacts on health except in families who entered the study with no barriers to employment. Those in New Hope reported that their children had better health and had more recent routine medical visits, but the children also had more behavior problems.
- For the most part, program impacts did not differ for children in different ethnic groups or for those whose families entered the study with different employment histories or barriers to employment.

The Conceptual Model

The conceptual model for predicting child outcomes is shown in Chapter 1 (Figure 1.1). The New Hope program was expected to increase parents' employment along with increasing income and work supports in the form of health and child care assistance. These policy components were expected to increase the family's material resources, produce changes in parents' time and social resources, and lead to improvements in parents' psychological well-being. These aspects of the New Hope program were expected to affect children's experiences within and outside the family: the nature of the parenting and home environment, the type and quality of child care, and children's time use and activities. These, in turn, were expected to improve children's educational progress, psychological well-being, and social behavior. This model allowed New Hope to affect families through diverse pathways, depending on their needs and circumstances, as illustrated in Box 6.1.

Box 6.1

New Hope Assisted Families Through Diverse Pathways

The New Hope Ethnographic Study (NHES) suggests that there was no single, predominant pathway through which the program assisted families and indirectly supported children's development.* Rather, New Hope seemed to benefit different families in different ways, reflecting the wide diversity among the families who constitute the "working poor." Most commonly, New Hope was helpful when it offered benefits that fit into the family's already-functioning daily routine. For example, child care vouchers helped parents who wanted to provide better-quality care (as they defined this) or who wanted to disentangle themselves from social networks that were not providing care well. Some parents found New Hope case representatives valuable allies in finding jobs and services. But many parents working swing shifts, nights, or two jobs — or those who had good, stable home care — did not use child care benefits. Parents who had health benefits did not find that benefit useful (although some did, because it also helped them to pay for employer-sponsored insurance); some other parents wanted to use New Hope's insurance but could not regularly provide the copayment. Other families simply found New Hope a help with the cascading problems that most working-poor families faced. Income supplements, more stable jobs, a community service job, or some combination of New Hope and state benefits helped them and increased their family stability. The parents who had no employment barriers or only one were especially likely to find their own pathway to more regular, stable employment and better daily life for their families, which in turn benefited their children.

*Weisner, Gibson, Lower, and Romich, 2002.

Income Effects and Children's Outcomes

The findings at the two-year evaluation and the five-year findings reported in earlier chapters supported parts of the conceptual model. New Hope increased parental employment, particularly in stable jobs — an effect that was still evident at the five-year evaluation. New Hope also produced a modest increase in family income, although the advantage associated with being in the program group was diminished by the time of the five-year follow-up (two years after New Hope benefits ended). Nonetheless, some of the literature concerning income effects on children suggests that income at particular developmental periods may have lasting effects.

Family Income. Some investigators have proposed that poverty in early childhood (ages 0 to 5) has particularly strong and lasting effects,¹ but data are scarce. Longitudinal re-

¹Huston, 1991.

search shows that family income in the early years (ages 0 to 5) is related to intellectual development and adult attainment more strongly than is income at later ages.² There is also evidence that children in families who move out of poverty during the first few years of the child's life show gains in performance on tests of cognitive abilities.³ Therefore, the increased resources produced by New Hope might have occurred at a developmentally important time for the younger children in the sample.

Parents' Employment. New Hope increased parents' employment. Most of the research on low-income families suggests that young children's cognitive and social development is more positive in families with employed mothers than in those with unemployed mothers.⁴ But much if not all of this difference is a function of preexisting differences between employed and unemployed mothers in terms of demographic attributes, skills, personality, and child-rearing practices rather than being a product of employment.⁵ Parents' job quality is associated with positive outcomes for their families,⁶ so the fact that New Hope increased stable long-term employment may have contributed to children's development.

At the other end of the age spectrum in this study, maternal employment may have some negative effects for adolescents.⁷ In recent experiments testing welfare-to-work policies, including New Hope, there were scattered negative effects on school performance and minor deviant behavior for children who were adolescents when their parents entered the programs, even when programs raised income and had positive effects on younger children.⁸

Parenting. The conceptual model in Figure 1.1 shows changes in family income and parental employment affecting material resources, parents' psychological well-being, and parenting practices. New Hope families were slightly better off financially, and these resources could have contributed to stimulation and opportunities for children. There is abundant nonexperimental evidence that income effects on children's psychological well-being occur in part through their effects on parents' well-being and parenting practices. New Hope had some modest effects on parents' psychological well-being, including reduced depression at the five-year follow-up. New Hope parents also reported better control over their children's behavior, and their relationships with sons, in particular, were more positive than were those of control group

²Duncan, Brooks-Gunn, Yeung, and Smith, 1998; Duncan and Brooks-Gunn, 1997.

³Dearing, McCartney, and Taylor, 2001; NICHD, 2002.

⁴Vandell and Ramanan, 1992; Zaslow, McGroder, Cave, and Mariner, 1999; Zaslow, Rabinovich, and Suwalsky, 1991; Zaslow and Emig, 1997; Woods, 1972.

⁵Zaslow, McGroder, Cave, and Mariner, 1999.

⁶Parcel and Menaghan, 1997.

⁷See Huston, 2002.

⁸Bos and Michalopoulos, 2001; Gennetian et al., 2002a; Zaslow et al., 2002.

parents. Therefore, the program might be expected to have more positive effects on children's well-being.

Child Care. The New Hope child care benefit allowed program group parents to choose relatively expensive care, and in the first two years, they used formal child care and after-school programs for their preschool and early-school-age children more than control group parents did. Even after the program subsidies ended, New Hope parents continued to place their children in child care centers and other organized programs, whereas control group parents more often used home-based care and care by siblings. In general, formal, center-based child care provides more educational opportunities than home-based care provides, and several studies indicate that it leads to more advanced cognitive and language development than informal child care.⁹ However, in the New Chance study, the amount of time that children had spent in child care centers during the very early years of life accounted for some of the negative impacts on school readiness.¹⁰ Any benefits or costs associated with child care would be expected to occur for younger children in the sample. By about fifth grade, most children no longer participate in organized child care.

Out-of-School Activities. One reason for some of the negative effects of maternal employment on adolescents could be that children who are “too old” for child care have less supervision and structure when their parents are employed. Involvement in structured activities in school and the community is one means of providing supervision and opportunities for youth development. At both the two-year and five-year follow-ups, children from New Hope families participated more frequently in these activities and were less likely to be in unsupervised settings, which could counteract some of the negative effects of not having a parent available at home during some of the out-of-school hours (including summer). A second reason may be that adolescents may be expected to care for younger siblings or to assume more household chores while their parents work — although there was no evidence at either the two-year or the five-year evaluation that this occurred. In fact, the 9- to 12-year-olds in New Hope families were significantly less likely to care for siblings than were their control group counterparts.

Gender Differences

Although different effects of the program were not predicted for boys and girls, at the two-year evaluation, the impacts on boys' school achievement, educational goals, and social behavior were more pronounced and more consistently positive than were the impacts for girls. Although teachers reported higher levels of academic achievement and higher levels of positive social behaviors (social competence, compliance, and autonomy) for New Hope children than

⁹Lamb, 1997; NICHD Early Child Care Research Network, 2000, 2002.

¹⁰Quint, Bos, and Polit, 1997.

for control group children overall, program impacts were larger for boys than for girls. According to teachers' reports, boys in program group families had higher achievement, better classroom behavior skills (working independently, following classroom rules, making transitions), more positive behavior, and fewer behavior and discipline problems than boys in control group families. There were few program effects for girls, and, in fact, teachers rated New Hope girls *higher* on externalizing behavior problems and disciplinary problems in the classroom.

Parents in program group families also reported higher levels of positive social behavior for their sons. These effects were large and reliable. Boys in New Hope families had higher aspirations and expectations for their future occupations and for advanced education than boys in control group families.

The greater impacts on boys were interpreted in light of boys' greater risk of academic and behavior problems in the elementary years. Within the control group, boys' academic performance and social behavior were considerably lower and less positive than those of girls. The program impacts brought New Hope boys' scores up to the levels already attained by girls in both the program and the control groups.

There was some evidence that the increased resources available to families benefited boys more than girls. Ethnographic interviews indicated that parents were concerned about boys' vulnerability to gangs and antisocial behavior, and so parents used the additional resources provided by New Hope to purchase goods and opportunities for their boys. Program group boys were more likely to be enrolled in extended daycare and in structured out-of-school activities that provided supervision and learning experiences.

Developmental Domains

Each of four major domains examined in this chapter — achievement, motivation and attitudes, social behavior, and health — is central to successful development. Children's pathways in these domains during early and middle childhood are important predictors of adolescent and adult success. School achievement in the early and middle grades is a strong predictor of ultimate school success, educational attainment, and employment in adolescence and adulthood.¹¹ Motivation and beliefs about the future affect school achievement. Positive social behavior and positive peer relations are indicators of mental health in childhood, and both are important predictors of social competence in adolescence and adulthood. By contrast, behavior problems — particularly externalizing problems, aggression, and delinquent behavior in middle childhood and adolescence — predict delinquency and aggressive disorders in adolescence and

¹¹Mussen, Conger, Kagan, and Huston, 1990.

adulthood.¹² Finally, physical health forms a basis for later health and for behavioral development. Children with difficulties in any of these domains may need parents' time and attention, making it more difficult for parents to remain employed. New Hope helped some of these parents (Box 6.2).

Data Sources

The sample for the child outcome assessments is described in Chapter 2 (and Figure 2.1). In-person surveys with parents and children were conducted in the family's home. The parents provided information about their children's achievement and social behavior, and children were given several standardized tests and questionnaires. Two age-appropriate versions of the children's instruments were used — one for ages 6 to 8 and one for ages 9 to 16. Some instruments were administered only to children age 9 and older, and a few questions were added for respondents who were 12 and older. These are denoted by an age in parentheses — for example, "(age 9+)," "(age 12+)." Some measures are identical to those used at the two-year evaluation and are noted as "(2&5)." Information on standardization samples, reliability, validity, and intercorrelations among these instruments is provided in Appendix D.

Teacher reports about children's academic performance, classroom skills, school progress, and social behavior were obtained by questionnaires mailed to the children's school. Teachers were told that children and their families were participating in a study but not that families were involved in an evaluation of New Hope, welfare, or poverty-related programs.

All the analyses compared the entire group of children in the survey sample of New Hope families with children in control group families. For each outcome, differences in impacts were examined for boys and for girls as well as for three age groups: 6- to 8-year-olds, 9- to 12-year-olds, and 13- to 16-year-olds. Because some of the economic impacts differed for families with different levels of employment at baseline, with different barriers to employment at baseline, and in different ethnic groups, child impacts were examined for these subgroups as well. There were almost no systematic differences for children in families with and without full-time employment at baseline, so those results are not presented.

¹²Huesmann, Lagerspetz, and Eron, 1984.

Box 6.2

New Hope Eased Daily Life for Children with Chronic Troubles

In the New Hope Ethnographic Study (NHES), nearly half the families had children who had significant and chronic behavioral, cognitive, or developmental “troubles” (for example, placement in special education, behavior problems at home or in school, poor school achievement, or chronic health problems).^{*} How did parents in these families work, care for their children, and make ends meet, and how might New Hope have helped these families make more successful adaptations? Poor families generally are more likely than are higher-income families to have a child with these kinds of troubles, and poor parents are also more likely themselves to be living with disabilities of various kinds.[†] Children’s problems make it more difficult for parents to make ends meet, to provide help for their children, and to retain employment.

Katrina, who was in the control group, has four children, including 8-year-old Neil, who has significant behavioral problems. At one point, Katrina’s car broke down, but she was unable to have it repaired for two weeks because she had to wait for her next paycheck. During those two weeks, she stopped going anywhere other than work, and the family lived on frozen pizzas. In this same period, Katrina had to move Neil out of child care because he was biting people, and she had to find transportation to get her other three children to child care. She talked with the fieldworker about her frustrations concerning Neil: “I’ve got the other [three] kids, the world cannot just be him. . . . We gotta eat. I gotta work. I am really angry with him because he takes away from everything. . . . He’s making it hell for everybody.” She said that nothing was easy with Neil; even eating dinner was an event. She wondered about increasing his daily medication but was not sure that it was a good idea: “I don’t want the boy to ‘veg’ out. I don’t want him to be a vegetable. He’s got to have some life.”

New Hope had some positive impacts on family adaptation for those families who had children with chronic troubles. For example, Wendy’s son Jordan was in a special education program for children with emotional disturbances and had behavior problems at home as well. New Hope helped Wendy obtain a child care license and open up her own daycare program. “I’m hoping and praying to be stable with this occupation because of the kids,” she commented. She looked forward to being able to go down to the school more often when there was a problem with Jordan.

Edith had a son, Max, who had a hearing problem and behavior problems at home and school. Thanks to the medical insurance offered by New Hope, she was able to have Max’s hearing problem treated surgically, and she found psychological counseling for him as well.

A well-run antipoverty program can make a difference in the daily lives of families with children who have developmental and other problems. New Hope families and control group families were equally likely to have a child with troubles, but families in New Hope had fewer problems sustaining their work and managing their family routines. The improvement could not always be tied to specific benefits (health insurance, child care, or income supplements) but seemed to result from the combination of New Hope’s benefits and services.

^{*}Bernheimer, Weisner, and Lowe. Forthcoming, 2003.

[†]Duncan, Brooks-Gunn, and Klebanov, 1994; Moore and Driscoll, 1997; Olson and Pavetti, 1996.

Children's Academic Performance

Measures of Academic Performance

All measures of children's academic achievement were administered to the entire age range studied.

Standardized Achievement Test Scores. To assess reading and mathematical competencies, children completed four individually administered scales from the Woodcock-Johnson Achievement Battery.¹³ Two of these (Letter-Word Identification and Passage Comprehension) measure reading skills; the average of these two is the Broad Reading score. The other two scales (Applied Problems and Calculation) measure mathematics skills; the average of these two is the Broad Math score. The total score is the average of all four scales. The Woodcock-Johnson was selected because its normative sample is large and representative and because it includes children from diverse ethnic groups and diverse types of schooling. The standard score for each scale is obtained by comparing the child's score with norms for his or her chronological age group. The mean standard score for the population as a whole is 100; the standard deviation is 15.

Parent Ratings of Achievement. Parents rated their children's overall level of achievement on a five-point scale ranging from "below average" to "excellent" (2&5). Based on their knowledge of recent report cards, parents evaluated their children's performance in reading, mathematics, and written work using five-point scales.

Additional indicators of children's school performance included parent reports of retention in grade, remedial educational services, and participation in gifted programs. Parents responded "yes" or "no" to a set of three questions about *positive school experiences* (whether the child had been in a gifted program or received school awards for academic or other types of achievement) and a set of questions about *negative school experiences* (whether the child had been in special education, repeated a grade, or received poor grades). For adolescents (12+), parents reported whether the child had dropped out of school before graduating.

Teacher Ratings of Achievement. The teacher survey included the academic subscale of the Social Skills Rating System (SSRS), which was used in the two-year assessment (2&5).¹⁴ On this 10-item measure, teachers rated children's performance in comparison to others in the same classroom on reading skill, math skill, intellectual functioning, motivation, oral communication, classroom behavior, and parental encouragement.

¹³Woodcock and Johnson, 1990.

¹⁴Gresham and Elliot, 1990.

A “mock report card” completed by teachers indicated children’s current school performance on reading, oral language, written language, math, social studies, and science. This measure was adapted from one used in the NICHD Study of Early Child Care and Youth Development.¹⁵ Teachers also completed the Classroom Behavior Scale (2&5), which contains items concerning children’s study skills, conformity to classroom rules and routines, ability to work and complete tasks independently, and ability to make transitions without becoming distracted.¹⁶

Three items measured teachers’ educational expectations for the focal child. On a five-point scale ranging from “not at all” to “very ,” teachers indicated how sure they were that the child would finish high school, go to college, and finish college. These responses were averaged to produce one score representing the teacher’s expectations for the child’s educational attainment.

Program Impacts

Impacts for the Entire Survey Sample. New Hope had positive impacts on several indicators of children’s achievement. The children in the New Hope program group performed better on the broad reading score and on the total score for the Woodcock-Johnson test of achievement than did children in the control group, although the latter impact just misses statistical significance ($p = .108$). The means appear in Table 6.1. The effect size indicates that, on average, program group children scored .12 standard deviation higher than control group children on the total score and on the reading score. There were not significant group differences on math skills.

New Hope program parents also reported higher reading and literacy skills for their children than did control group parents (Table 6.1). There were no overall impacts of the program on parent or teacher reports of positive indicators of school progress (such as gifted services and academic or other awards) or negative indicators of school progress (grade retention, remedial services, poor grades, or dropping out). There were no overall differences in teachers’ ratings of academic skills and behavior of program group and control group children, largely because teacher-rated impacts differed markedly for boys and girls.

Impacts by Child’s Gender. Overall, the impacts of New Hope were more positive for boys than for girls (Table 6.2). Gender differences were most pronounced for impacts on teacher reports of academic skills and classroom behavior. Teachers rated program group boys significantly higher than control group boys on the SSRS academic subscale and on the Classroom Behavior Scale. The means for program group boys were .30 standard deviation higher than those for control group boys. At the same time, teachers rated program group girls *lower*

¹⁵This measure can be found at <http://secc.rti.org>.

¹⁶Wright and Huston, 1995.

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Table 6.1

Impacts on Children's Achievement and School Progress for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Woodcock-Johnson test of achievement^b						
Total standard score		96.0	94.2	1.7	0.108	0.12
Broad reading score		98.1	96.0	2.0 *	0.091	0.12
Letter-word score		97.6	94.8	2.9 *	0.056	0.15
Comprehension		98.6	97.4	1.1	0.338	0.07
Broad math score		93.8	92.5	1.3	0.250	0.08
Calculation		90.2	88.4	1.7	0.168	0.09
Applied problems		97.9	96.9	1.0	0.456	0.06
Parent ratings of achievement						
	1=below average, 5=excellent					
Overall achievement		3.7	3.7	0.0	0.854	0.01
Reading		3.7	3.5	0.2 ***	0.006	0.19
Math		3.7	3.6	0.1	0.455	0.05
Teacher ratings of achievement						
Social Skills Rating System (SSRS)						
academic subscale	1=lowest 10 percent of the class, 5=highest 10 percent of the class	3.2	3.2	0.1	0.517	0.06
Mock report card - total	1=below average, 5=excellent	2.9	2.9	0.0	0.637	0.04
Mock report card - reading	1=below average, 5=excellent	2.9	2.8	0.1	0.387	0.08
Mock report card - math	1=below average, 5=excellent	2.8	2.9	0.0	0.814	-0.02
Classroom Behavior Scale	1=almost never, 5=almost always	3.7	3.7	0.0	0.821	0.02
Teacher expectations for child	1=not at all, 5=very	2.8	2.8	0.0	0.907	0.01
School progress						
Positive school progress: parent report	0=no, 1=yes	0.4	0.4	0.0	0.153	0.11
Negative school progress: parent report	0=no, 1=yes	0.2	0.2	0.0	0.391	-0.06
Time absent: teacher report	1=less than 2 percent, 4=more than 10 percent	1.9	1.8	0.1	0.265	0.10
Time tardy: teacher report	1=less than 2 percent, 5=more than 25 percent	1.6	1.6	0.0	0.807	0.02

(continued)

Table 6.1 (continued)

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Test results were available for 816 children; parent reports were available for 830 children; and teacher reports were available for 530 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bWoodcock-Johnson scores are age-standardized with a mean of 100 and a standard deviation of 15.

than control group girls on both of these measures, although program-control group differences were significant only for classroom behavior. The means for program group girls were .17 standard deviation and .27 standard deviation lower than those for control group girls on academic skills and classroom behavior, respectively.

Program impacts on Woodcock-Johnson achievement scores and parent ratings were positive for both boys and girls. The size of the effects, however, were slightly larger for boys than for girls; as a result, in separate analyses, some program-control differences were significant only for boys. Program group girls showed the same pattern of better achievement scores than their control group counterparts, but the differences were not significant.

Impacts by Child's Age. For the most part, the positive impacts on children's academic outcomes occurred throughout the age range studied. For the oldest group of children (who were 8 to 10 years old at random assignment and 13 to 16 years old at the five-year follow-up), New Hope parents reported fewer negative school experiences than did control group parents. That is, the adolescents in New Hope families were less likely to be retained in grade, to be receiving remedial services, or to be receiving poor grades. Appendix Table E.6.1 shows New Hope's impacts on children's academic achievement and school progress across the three age groups.

Impacts by Parents' Barriers to Employment. Chapter 3 noted that the strongest impacts of New Hope on employment and earnings occurred for parents who had one barrier to employment when they entered the program (compared with those who had zero or many barriers). Therefore, the impacts on children in these three subgroups were examined to determine whether the positive impacts were concentrated in families with one barrier. For the most part,

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Table 6.2

Impacts on Children's Achievement and School Progress, by Gender

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Boys							
Woodcock-Johnson test of achievement^c							
Total standard score		95.8	94.1	1.7	0.287	0.11	0.860
Broad reading score		97.7	94.9	2.9	0.106	0.18	0.630
Letter-word score		97.2	93.2	4.0 *	0.071	0.20	0.505
Comprehension		98.3	96.9	1.3	0.418	0.08	0.900
Broad math score		93.8	93.6	0.3	0.874	0.02	0.366
Calculation		89.9	90.0	-0.1	0.957	-0.01	0.247
Applied problems		98.1	97.3	0.8	0.684	0.04	0.854
Parent ratings of achievement							
	1=below average, 5=excellent						
Overall achievement		3.6	3.6	0.0	0.936	-0.01	0.827
Reading		3.5	3.3	0.2 **	0.047	0.20	0.796
Math		3.6	3.6	0.0	0.888	0.01	0.684
Teacher ratings of achievement							
Social Skills Rating System academic subscale	1=lowest 10 percent of the class, 5=highest 10 percent of the class	3.2	2.9	0.3 **	0.035	0.30	0.008 †††
Mock report card - total	1=below average, 5=excellent	2.8	2.8	0.1	0.556	0.08	0.749
Mock report card - reading	1=below average, 5=excellent	2.8	2.7	0.1	0.315	0.13	0.632
Mock report card - math	1=below average, 5=excellent	2.9	2.8	0.1	0.614	0.07	0.310

(continued)

Table 6.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Classroom Behavior Scale	1=almost never, 5=almost always	3.7	3.3	0.3 **	0.025	0.30	0.001 †††
Teacher expectations for child	1=not at all,	2.9	2.7	0.2	0.314	0.14	0.136
School progress							
Positive school progress: parent report	0=no, 1=yes	0.4	0.3	0.0	0.137	0.14	0.882
Negative school progress: parent report	0=no, 1=yes	0.2	0.3	0.0	0.243	-0.12	0.285
Time absent: teacher report	1=less than 2 percent, 4=more than 10 percent	1.9	1.8	0.1	0.315	0.11	0.840
Time tardy: teacher report	1=less than 2 percent, 5=more than 25 percent	1.6	1.6	0.0	0.901	-0.02	0.521
Girls							
Woodcock-Johnson test of achievement^c							
Total standard score		96.3	94.2	2.0	0.140	0.14	
Broad reading score		98.7	96.9	1.8	0.263	0.11	
Letter-word score		98.3	96.2	2.1	0.289	0.11	
Comprehension		99.2	97.6	1.6	0.307	0.10	
Broad math score		93.8	91.4	2.3	0.131	0.14	
Calculation		90.1	87.3	2.8	0.100	0.15	
Applied problems		97.7	96.5	1.2	0.491	0.07	
Parent ratings of achievement							
	1=below average, 5=excellent						
Overall achievement		3.9	3.9	0.0	0.817	0.02	
Reading		3.9	3.7	0.2 *	0.099	0.16	
Math		3.8	3.7	0.1	0.482	0.07	

(continued)

Table 6.2 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Teacher ratings of achievement							
Social Skills Ratings System academic subscale	1=lowest 10 percent of the class, 5=highest 10 percent of the class	3.2	3.4	-0.2	0.171	-0.17	
Mock report card - total	1=below average, 5=excellent	3.0	3.0	0.0	0.876	0.02	
Mock report card - reading	1=below average, 5=excellent	3.0	2.9	0.0	0.749	0.04	
Mock report card - math	1=below average, 5=excellent	2.8	2.9	-0.1	0.370	-0.12	
Classroom Behavior Scale	1=almost never, 5=almost always	3.7	4.0	-0.3 **	0.027	-0.27	
Teacher expectations for child	1=not at all, 5=very	2.8	3.0	-0.1	0.308	-0.12	
School progress							
Positive school progress: parent report	0=no, 1=yes	0.5	0.4	0.0	0.267	0.12	
Negative school progress: parent report	0=no, 1=yes	0.2	0.1	0.0	0.769	0.03	
Time absent: teacher report	1=less than 2 percent, 4=more than 10 percent	2.0	1.9	0.1	0.524	0.08	
Time tardy: teacher report	1=less than 2 percent, 5=more than 25 percent	1.7	1.6	0.1	0.470	0.10	

(continued)

Table 6.2 (continued)

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For boys, test results were available for 420 children; parent reports were available for 424 children; and teacher reports were available for 254 children. For girls, test results were available for 393 children; parent reports were available for 401 children; and teacher reports were available for 275 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

^cWoodcock-Johnson scores are age-standardized with a mean of 100 and a standard deviation of 15.

impacts did not differ across barrier groups, but the positive impacts on teacher-reported achievement were strongest in the families with one barrier. By contrast, the positive impacts on the Woodcock-Johnson achievement scores occurred in the families with more than one barrier to employment (Appendix Table E.6.2).

Impacts by Ethnic Group. Impacts were similar for children from African-American, Hispanic, and white families (Appendix Table E.6.3).

Children’s Motivation and Beliefs

Measures of Motivation and Beliefs

Competency Beliefs, Values, and Efficacy. Children were asked about their self-concept of ability, expectations for success, utility value, and attainment value for math and English/reading using items adapted from the Self and Task Perception Questionnaire.¹⁷ Sample items include “How good at English are you?” and “How useful is what you learn in math?” Responses were on a seven-point scale ranging from “not at all or a little” to “very.”

Children’s sense of efficacy was measured using six items from the Children’s Hope Scale (age 9+), which has items that are similar to the adult Hope Scale completed by the parents.¹⁸ Each subscale includes three items using a six-point scale ranging from “none of the time” to “all of the time.” Sample items include: “I think I’m doing pretty well” and “Even when others want to quit, I know I can find ways to solve the problem.”

School Engagement. Children’s perceptions of their school environment were assessed with five items (for example, “You feel close to others at your school,” “You feel like you are a part of your school”), using a six-point response scale ranging from “none of the time” to “all of the time” (age 9+). These items were adopted from the Adolescent Health Survey.

Aspirations, Expectations, and Values for the Future. Children ages 9 and older were asked to indicate how sure they were that they would finish high school, go to college, and finish college, using five-point scales (1 = “not at all sure,” 5 = “very sure”).¹⁹

Children were asked about their occupational aspirations and expectations using a set of questions adapted from Cook and colleagues. They were first asked what job they would really *like* to have (aspiration), followed by what job they thought they *actually* would have (expecta-

¹⁷Eccles et al., 1983; Eccles and Wigfield, 1995.

¹⁸Snyder et al., 1996.

¹⁹Cook et al., 1996.

tion). Both responses were coded for prestige using updated scores developed by Nakeo and Treas based on occupational codes from the 1980 Census Occupational Classification.²⁰

Children's attitudes about work (for example, "You expect work to be a central part of your life") were assessed with five items using a five-point scale from "strongly disagree" to "strongly agree," taken from the Monitoring the Future Survey (age 9+).

Children were also asked general questions about the importance of future achievements, using a five-point scale ranging from "not at all important" to "very important" (age 9+).²¹ These seven items asked about the importance of doing something to improve their community, being close to their family and raising kids, obtaining a good job, and having a lot of money. These items formed two scales — one referring to individual goals (for example, obtaining a good job) and the other referring to community involvement (such as improving their community).

Program Impacts

Impacts for the Entire Survey Sample. There were no overall impacts on children's motivation, attitudes about work, or feelings of efficacy (Table 6.3).

Impacts by Child's Gender. The impacts were different for boys and girls (Table 6.4). Boys in the program group had higher educational expectations and more engagement with school than did control group boys. The impacts for girls were statistically insignificant; however, the pattern for girls contrasted with the pattern for boys. Program group girls expressed slightly less engagement in school and less expectation of graduating from college than did control group girls.

Impacts by Child's Age. Most of the measures of motivation were given only to children age 9 or older. As shown in Appendix Table E.6.4, there were no significant program-control differences for 9- to 12-year-olds, but there were some positive impacts for adolescents (age 13 and older). Specifically, program group adolescents had higher educational expectations, greater school engagement, stronger feelings of efficacy or hope, and higher expectations that they would contribute to their community in the future.

Impacts by Parents' Barriers to Employment and Ethnic Group. There were few differences in impacts on children when grouped by parents' initial barriers to employment (Appendix Table E.6.5). There were few differences across ethnic groups, but there was some evidence that work attitudes and occupational expectations were reduced for white (non-Hispanic) children in New Hope families (Appendix Table E.6.6).

²⁰Nakeo and Treas, 1994.

²¹These questions were adapted from Flanagan et al. (1998).

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Table 6.3

Impacts on Children's Beliefs and Motivation for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Competency beliefs						
Child's self-perceived ability						
English	1=not at all good, 7=very good	5.8	5.8	0.0	0.683	0.03
Math	1=not at all good, 7=very good	5.8	5.8	-0.1	0.468	-0.05
Child efficacy (Hope Scale)	1=none of the time, 6=all of the the time	4.7	4.7	0.1	0.276	0.10
School engagement	1=none of the time, 6=all of the the time	4.0	3.9	0.1	0.275	0.10
Aspirations and expectations						
Educational expectations						
Complete high school	1=not at all sure, 5=very sure	4.6	4.6	0.1	0.394	0.08
Attend college	1=not at all sure, 5=very sure	4.4	4.3	0.1	0.172	0.12
Complete college	1=not at all sure, 5=very sure	4.3	4.1	0.2 **	0.018	0.22
Occupational aspiration	1=low, 100=high	66.5	66.0	0.5	0.748	0.03
Occupational expectation	1=low, 100=high	64.9	64.0	0.9	0.585	0.04
Values for the future						
Work attitude						
	1=strongly disagree, 5=strongly agree	4.3	4.3	0.0	0.987	0.00
Future beliefs - individual	1=not at all important, 5=very important	4.0	3.9	0.0	0.414	0.07
Future beliefs - community	1=not at all important, 5=very important	4.6	4.5	0.0	0.442	0.08
Sample size		413	405			

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

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Table 6.4
Impacts on Children's Beliefs and Motivation, by Gender

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Boys							
Competency beliefs							
Child's self-perceived ability							
English	1=not at all good, 7=very good	5.8	5.7	0.1	0.386	0.10	0.220
Math	1=not at all good, 7=very good	5.9	6.0	-0.1	0.307	-0.10	0.539
Child efficacy (Hope Scale)	1=none of the time, 6=all of the the time	4.8	4.6	0.2	0.157	0.19	0.120
School engagement	1=none of the time, 6=all of the the time	4.1	3.9	0.2 *	0.062	0.25	0.072 †
Aspirations and expectations							
Educational expectations							
Complete high school	1=not at all sure, 5=very sure	4.6	4.6	0.1	0.403	0.11	0.493
Attend college	1=not at all sure, 5=very sure	4.4	4.2	0.2	0.144	0.18	0.237
Complete college	1=not at all sure, 5=very sure	4.3	3.9	0.4 ***	0.002	0.39	0.012 †††
Occupational aspiration	1=low, 100=high	64.5	64.1	0.4	0.850	0.02	0.922
Occupational expectation	1=low, 100=high	63.6	62.2	1.4	0.530	0.07	0.813
Values for the future							
Work attitude	1=strongly disagree, 5=strongly agree	4.3	4.3	0.0	0.991	0.00	0.782
Future beliefs - individual	1=not at all important, 5=very important	4.0	4.0	0.0	0.986	0.00	0.537

(continued)

Table 6.4 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Future beliefs - community	1=not at all important, 5=very important	4.6	4.5	0.1	0.450	0.12	0.498
Sample size		219	200				
Girls							
Competency beliefs							
Child's self-perceived ability							
English	1=not at all good, 7=very good	5.9	5.9	-0.1	0.413	-0.08	
Math	1=not at all good, 7=very good	5.7	5.7	0.0	0.909	-0.01	
Child efficacy (Hope Scale)	1=none of the time, 6=all of the the time	4.7	4.7	-0.1	0.446	-0.09	
School engagement	1=none of the time, 6=all of the the time	3.9	4.0	-0.1	0.552	-0.08	
Aspirations and expectations							
Educational expectations:							
Complete high school	1=not at all sure, 5=very sure	4.6	4.6	0.0	0.933	-0.01	
Attend college	1=not at all sure, 5=very sure	4.4	4.4	0.0	0.785	-0.03	
Complete college	1=not at all sure, 5=very sure	4.2	4.3	-0.1	0.644	-0.06	
Occupational aspiration	1=low, 100=high	68.6	67.9	0.7	0.774	0.04	
Occupational expectation	1=low, 100=high	66.4	65.8	0.6	0.805	0.03	
Values for the future							
Work attitude	1=strongly disagree, 5=strongly agree	4.2	4.2	0.0	0.701	0.05	
Future beliefs - individual	1=not at all important, 5=very important	4.0	3.9	0.1	0.347	0.11	

(continued)

Table 6.4 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Future beliefs - community	1=not at all important, 5=very important	4.6	4.6	0.0	0.964	-0.01	
Sample size		191	205				

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Children's Social Behavior

Measures of Social Behavior

Positive Social Behavior. Most studies of children from low-income families emphasize the negative aspects of social behavior. This study gives equal emphasis to positive and problem behavior. Both parents and teachers completed the Positive Behavior Scale.²² The 25 items in it are divided into three subscales: compliance and self-control (for example, "Thinks before he/she acts," "Usually does what I tell him/her"); social competence and sensitivity ("Gets along well with other children," "Shows concern for other people's feelings"); and autonomy ("Tries to do things for him/herself," "Is self-reliant"). Both parents and teachers completed these scales.

Problem Behavior. Both parents and teachers rated children on *externalizing* and *internalizing* problems, using the Problem Behavior Scale of the Social Skills Rating System.²³ Externalizing problems include aggression and lack of behavior control (for example, "Is aggressive toward people or objects," "Has temper tantrums"). Internalizing problems include social withdrawal and excessive fearfulness ("Appears lonely," "Acts sad or depressed"). Teachers also reported how often they had to discipline children for misbehavior.

Peer Relationships. The Loneliness and Social Dissatisfaction Questionnaire is a 16-item scale measuring the child's satisfaction with peer relations and friendships.²⁴ For 6- to 8-year-olds, the items are questions; and for 9- to 16-year-olds, they are statements (for example, "It's hard for me to make new friends"). The child answers on a five-point scale, ranging from 1 ("always true") to 5 ("not true at all"). For this study, high scores indicate satisfaction with friendships.

Hostile Intent Attribution. This measure is designed to measure children's aggressive tendencies. It consists of four vignettes presenting situations in which another person does something that could be perceived as hostile (for example, "A kid spilled milk down your back while you were sitting in the school cafeteria"). Respondents are asked why the person did this. The choice of answers includes benign intent (such as "The kid slipped on something") or hostile intent ("The kid wanted to make fun of you"). Two of the stories involve physical hostile intent, and two involve social hostility (for example, not inviting someone to a party). Other research indicates that responses to this instrument predict children's own aggressive behavior.

²²Quint, Bos, and Polit, 1997.

²³Gresham and Elliott, 1990.

²⁴Asher and Wheeler, 1985; Cassidy and Asher, 1992.

Aggressive children are more likely to attribute hostile intent to others; nonaggressive children are more likely to attribute benign intent.²⁵

Deviant Behavior and Peer Characteristics. A measure of Peer Group Conventional Behaviors, taken from the Pittsburgh Youth Study, was used to assess how many of the respondent's close friends got good grades and participated in sports, school activities, and religious activities (age 9+).

Trouble Index. Parents responded "yes" or "no" to five questions asking whether their child had been suspended from school, been in juvenile court, had a problem with alcohol or drugs, gotten in trouble with police, or done something illegal to get money. For children older than 12, parents were also asked whether the child had gotten pregnant or gotten someone pregnant.

Delinquent Behavior. This 15-item scale was used to assess self-reported deviant behavior (age 9+).²⁶ Youth were asked how often in the past 12 months they had engaged in fighting, stealing, vandalism, and substance use. The score is the total number of delinquent actions reported. For respondents age 12 and older, two questions were added, asking whether they had ever "had sex" and whether they had ever been pregnant or gotten a girl pregnant.

Peer Group Deviant Activities. The foregoing items about delinquent behavior were also asked about respondents' close friends.

Program Impacts

Impacts for the Entire Survey Sample. Table 6.5 shows that there were only 2 significant impacts out of 19 comparisons — findings that could have occurred by chance. Parents in New Hope families rated their children higher on positive social behavior than did parents in control group families, and New Hope children scored lower on hostile intent attribution than control group children.

Impacts by Child's Gender. There were some significant differences in impacts for boys and for girls (Table 6.6). Teachers rated New Hope boys more favorably on social behavior than they did control group boys, but the pattern was reversed for girls. The teachers' positive behavior scores for New Hope boys were .24 standard deviation *higher* than scores for control boys; New Hope girls' scores were .26 standard deviation *lower* than control girls' scores.

²⁵Crick and Dodge, 1996.

²⁶The items were adapted from LeBlanc and Tremblay (1988).

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Table 6.5

Impacts on Children's Social and Risky Behavior for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
Positive Behavior Scale						
	1=never, 5=all of the time					
Parent report		3.9	3.8	0.1 *	0.061	0.15
Teacher report		3.6	3.6	0.0	0.915	0.01
Problem Behavior Scale						
	1=never, 5=all of the time					
Total: parent report		2.3	2.4	-0.1	0.184	-0.11
Total: teacher report		2.3	2.3	0.0	0.650	0.04
Externalizing: parent report		2.3	2.4	-0.1	0.108	-0.13
Externalizing: teacher report		2.1	2.1	0.0	0.611	0.05
Internalizing: parent report		2.4	2.4	0.0	0.346	-0.08
Internalizing: teacher report		2.3	2.2	0.0	0.603	0.05
Disciplinary action: teacher report		2.5	2.4	0.1	0.511	0.06
Social relationships						
Peer relationships: child report	1=always true, 5=not true at all	4.2	4.1	0.0	0.739	0.02
Hostile intent total: child report	0=benign, 4=hostile	3.0	3.2	-0.2	0.113	-0.12
Hostile intent - physical	0=benign, 2=hostile	1.1	1.3	-0.2 *	0.065	-0.13
Hostile intent - social	0=benign, 2=hostile	1.9	2.0	-0.1	0.459	-0.05
Peer conventional behaviors	1=none of them, 5=all of them	3.3	3.3	0.0	0.831	-0.02
Risky behavior						
Trouble index: parent report	0=no, 1=yes	0.1	0.1	0.0	0.765	-0.02
Delinquent behavior: child report	1=never, 5=five or more times	1.2	1.1	0.0	0.263	0.11
Had sex: child report	1=never, 5=five or more times	1.3	1.4	-0.1	0.515	-0.08
Got pregnant: child report	1=never, 5=five or more times	1.1	1.0	0.0	0.653	0.06
Peer delinquency: child report	1=none of them, 5=all of them	1.4	1.4	0.0	0.837	0.02

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Teacher reports were available for 530 children; parent reports were available for 830 children; and child reports were available for 840 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

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Table 6.6

Impacts on Children's Social and Risky Behavior, by Gender

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Boys							
Positive Behavior Scale							
	1=never, 5=all of the time						
Parent report		3.8	3.8	0.1	0.207	0.13	0.881
Teacher report		3.6	3.4	0.2 *	0.078	0.24	0.005 †††
Problem Behavior Scale							
	1=never, 5=all of the time						
Total: parent report		2.3	2.4	-0.1	0.236	-0.13	0.570
Total: teacher report		2.3	2.4	-0.1	0.324	-0.12	0.028 ††
Externalizing: parent report		2.3	2.4	-0.1	0.220	-0.13	0.616
Externalizing: teacher report		2.1	2.1	0.0	0.736	-0.04	0.212
Internalizing: parent report		2.4	2.4	-0.1	0.359	-0.10	0.731
Internalizing: teacher report		2.2	2.3	-0.1	0.560	-0.07	0.080 †
Disciplinary action: teacher report		2.6	2.7	-0.1	0.636	-0.06	0.180
Social relationships							
Peer relationships: child report	1=always true, 5=not true at all	4.2	4.1	0.1	0.396	0.09	0.380
Hostile intent total: child report	1=always true, 5=not true at all	3.0	3.5	-0.5 **	0.015	-0.25	0.093 †
Hostile intent - physical	1=always true, 5=not true at all	1.1	1.5	-0.3 **	0.012	-0.26	0.093 †
Hostile intent - social	1=always true, 5=not true at all	1.9	2.1	-0.2	0.192	-0.13	0.324
Peer conventional behaviors	1=none of them, 5=all of them	3.4	3.4	0.1	0.371	0.12	0.077 †
Risky behavior							
Trouble index: parent report	0=no, 1=yes	0.1	0.1	0.0	0.444	0.07	0.289

(continued)

Table 6.6 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Delinquent behavior: child report	1=never, 5=five or more times	1.2	1.2	0.0	0.379	0.12	0.931
Had sex: child report	1=never, 5=five or more times	1.3	1.4	-0.1	0.618	-0.09	0.945
Got pregnant: child report	1=never, 5=five or more times	1.0	1.1	0.0	0.123	-0.16	0.246
Peer delinquency: child report	1=none of them, 5=all of them	1.5	1.5	0.0	0.914	0.01	0.911
Girls							
Positive Behavior Scale							
	1=never, 5=all of the time						
Parent report		4.0	3.9	0.1	0.161	0.15	
Teacher report		3.6	3.8	-0.2 **	0.037	-0.26	
Problem Behavior Scale							
	1=never, 5=all of the time						
Total: parent report		2.3	2.3	0.0	0.671	-0.05	
Total: teacher report		2.3	2.1	0.2 **	0.041	0.27	
Externalizing: parent report		2.2	2.3	0.0	0.590	-0.06	
Externalizing: teacher report		2.1	2.0	0.2	0.154	0.18	
Internalizing: parent report		2.4	2.4	0.0	0.648	-0.05	
Internalizing: teacher report		2.3	2.2	0.2 *	0.077	0.24	
Disciplinary action: teacher report		2.4	2.1	0.2	0.152	0.18	
Social relationships							
Peer relationships: child report	1=always true, 5=not true at all	4.2	4.2	0.0	0.695	-0.04	
Hostile intent - total: child report	0=benign, 4=hostile	2.9	3.0	0.0	0.981	0.00	
Hostile intent - physical	0=benign, 2=hostile	1.1	1.1	0.0	0.850	-0.02	

(continued)

Table 6.6 (continued)

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a	P-Value for Difference Between Boys and Girls ^b
Hostile intent - social	0=benign, 2=hostile	1.9	1.9	0.0	0.906	0.01	
Peer conventional behaviors	1=none of them, 5=all of them	3.2	3.3	-0.1	0.113	-0.20	
Risky behavior							
Trouble index: parent report	0=no, 1=yes	0.0	0.1	0.0	0.456	-0.06	
Delinquent behavior: child report	1=never, 5=five or more times	1.2	1.1	0.0	0.379	0.10	
Had sex: child report	1=never, 5=five or more times	1.3	1.3	-0.1	0.703	-0.07	
Got pregnant: child report	1=never, 5=five or more times	1.1	1.0	0.0	0.437	0.13	
Peer delinquency: child report	1=none of them, 5=all of them	1.4	1.4	0.0	0.770	0.04	

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

For boys, teacher reports were available for 254 children; parent reports were available for 424 children; and child reports were available for 424 children. For girls, teacher reports were available for 275 children; parent reports were available for 401 children; and child reports were available for 401 children. Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

^bA statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

The same pattern appears on teachers' ratings of problem behaviors. New Hope boys' ratings were .12 standard deviation lower than control boys; New Hope girls' ratings were .27 standard deviation higher than control girls' scores.

On the hostile attribution measure, New Hope boys scored .25 standard deviation lower than control boys; there was no program impact for the girls.

There were no program impacts on peer relations, delinquency, or sexual involvement for either gender, with one exception: New Hope girls reported fewer conventional behaviors (for example, interest in good grades, participation in school activities) among their peers than did control group girls, but this impact just misses statistical significance.

Impacts by Child's Age. There were few variations in program impacts for different age groups (Appendix Table E.6.7), and those that did occur were all based on parent reports. New Hope parents reported slightly more internalizing problems for 6- to 8-year-olds than did control group parents; for older children, however, parents reported fewer problem behaviors — particularly fewer internalizing problems (9- to 12-year-olds) and more positive social behavior (13- to 16-year-olds).

Impacts by Parents' Barriers to Employment. Most of the impacts on children's social behavior did not differ according to parents' barriers to employment, but the positive effects of New Hope on children's perceptions of hostile intent were greatest in the families who had many barriers (Appendix Table E.6.8).

Impacts by Ethnic Group. On average, impacts on social behavior were slightly more positive for African-American children and were more mixed for white children (Appendix Table E.6.9).

Children's Health

Measures of Health

General Medical Conditions. Parents were asked whether any children in their family had "health problems requiring frequent trips to the doctor"; "behavior that is hard to control"; and/or "any other health condition, problem, or disability." One question asked parents to rate focal children's overall health, using a scale from 1 ("poor") to 5 ("excellent").

Health in the Past Year. Parents were asked whether, at any time in the past year, a focal child had "been a patient in a hospital overnight"; "had a health problem, disability, or behavioral condition that had been diagnosed by a medical professional"; "received any pre-

scription drug for a health or behavioral condition”; and/or “received any counseling or therapy for emotional, mental, or behavior problems.”

Health Care Facilities. Parents were asked, for focal children, whether there were “a particular health clinic, health center, doctor’s office, or other place that you usually go to if [your child] is sick or you need advice about (his/her/their) health.” They were also asked: “Is there someone at the places you usually go to who knows about your (child/children’s) health history who will give you advice over the telephone?”

Time Between Medical Visits. Parents were asked, for focal children: “About how long has it been since (your children/each of the children) last saw a medical doctor or other health professional for a checkup, shots, routine care, or because the child was sick?” A six-point scale was used for responses: 1 = never; 2 = three or more years; 3 = at least two years but less than three years; 4 = at least one year but less than less than two years; 5 = between six months and one year; and 6 = less than six months. Using the same scale, parents were asked: “About how long has it been since (your child/each of the children) last saw a dentist or a dental hygienist for dental care?”

Program Impacts

Impacts for the Entire Survey Sample and by Child’s Gender. There were no significant impacts on the health measures for the entire survey sample (Table 6.7), and no differences were found between boys and girls (not shown).

Impacts by Child’s Age. Among children ages 13 to 16, those in the program group had significantly better reported health than did those in the control group (Appendix Table E.6.10).

Impacts by Parents’ Barriers to Employment. Impacts for the families with no barriers to employment were different from impacts for families with one or more barrier. Specifically, for families with no barriers, New Hope families reported that their children had better health, had been less likely to spend the night in a hospital, and had had a shorter time period since seeing a doctor or a dentist for routine care than did control group children. In the families with no barriers to employment, New Hope parents also reported that their children had more behavior problems but less counseling (Appendix Table E.6.11).

Impacts by Ethnic Group. There were no consistent differences in impacts across ethnic groups (Appendix Table E.6.12).

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Table 6.7

Impacts on Health for the Survey Sample

Outcome	Range	Program Group	Control Group	Difference	P-Value	Effect Size ^a
General medical conditions						
General health problems	1=no, 2=yes	1.3	1.2	0.0	0.214	0.11
General behavior problems	1=no, 2=yes	1.2	1.2	0.0	0.373	0.08
Other health condition	1=no, 2=yes	1.2	1.1	0.0	0.722	0.03
Overall health	1=poor, 5=excellent	4.3	4.2	0.1	0.390	0.07
Health in past year						
Overnight hospital stay	1=no, 2=yes	1.0	1.1	0.0	0.633	-0.03
Diagnosed illness		1.2	1.2	0.0	0.385	0.06
Received prescription drug		1.2	1.2	0.0	0.389	-0.07
Received counseling or therapy		1.1	1.1	0.0	0.307	0.08
Health care facilities						
Used particular health care facility	0=no, 1=yes	1.0	1.0	0.0	0.473	-0.06
Received medical advice over phone		0.9	0.9	0.0	0.402	0.08
Time between medical visits						
Time since last doctor visit	1=never, 6=less than six months	5.3	5.4	-0.1	0.149	-0.12
Time since last dentist visit		4.8	4.8	0.0	0.686	-0.04
Sample size		429	421			

SOURCE: MDRC calculations using data from the New Hope five-year survey.

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

Actual sample sizes for individual measures may vary as a result of missing data.

^aThe effect size is the difference between program and control group outcomes as a proportion of the standard deviation of the outcomes for both groups combined. This standard deviation is always obtained from the entire research sample, even if the table shows impacts for subgroups.

Comparison with Two-Year Results

Many of the impacts observed at the two-year evaluation persisted after five years. The positive effects of the New Hope program for children's academic functioning and progress that were evident at the two-year follow-up persisted through five years after random assignment — and, perhaps more important, for approximately two years after the program ended. Children from program group families — and boys in particular — were performing better academically than children from control group families. These findings are strengthened by the fact that they appeared across multiple data sources, including standardized test scores as well as teacher and parent reports of achievement. Test scores and parent reports suggest that effects were more pronounced for reading skills than for math.

At both evaluations, positive impacts were stronger for boys than for girls. To illustrate the patterns over time, the means for boys and for girls at the two time periods were compared for some of the measures that were identical at the two evaluations (Figures 6.1 and 6.2).²⁷ These comparisons make it clear that control group boys were considerably lower on academic performance and classroom behavior than program group boys or than either group of girls at both time periods and that there was little change in the gap between program group and control group boys between two and five years. At both two and five years, program group boys had higher expectations for their future educational attainment, but the higher occupational expectations found at two years did not persist in the later evaluation.

At two years, there were large positive impacts on boys' social behavior — both positive and problem behavior — as reported by teachers. Some of these impacts endured, but the magnitude of the differences were much smaller. Boys continued to show significant positive impacts of New Hope on positive social behavior, although the size of the effects was diminished from .50 at two years to .24 at five years. The impacts on behavior problems — which also had an effect size of .50 at two years — had faded to nonsignificant levels by the five-year follow-up, and there was no evidence of impacts on adolescent deviant behaviors. Figures 6.3 and 6.4 illustrate the patterns over time, making it clear that much of the reduction in impacts was due to improvement by control group boys.

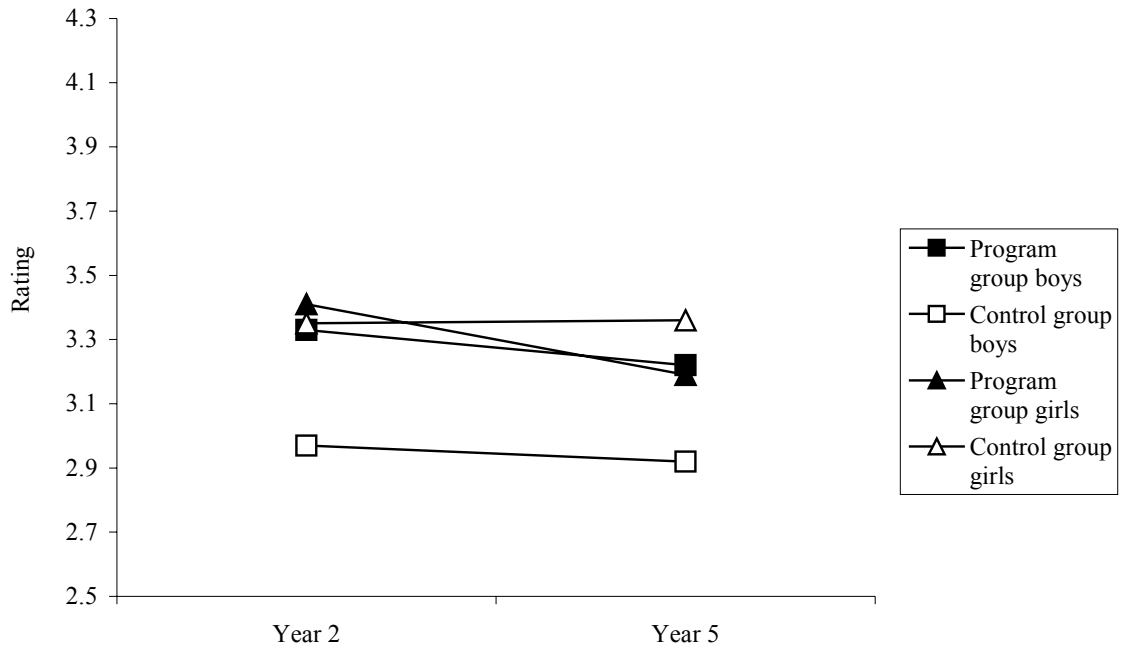
The negative impacts on teachers' perceptions of girls, which were suggested in the two-year evaluation, were more pronounced at the five-year follow-up. The patterns are illustrated in Figures 6.1 through 6.4, which make it clear that girls in both groups generally scored higher than boys. Nonetheless, girls in the program group, relative to those in the control group,

²⁷Means in Figures 6.1 through 6.4 are slightly different from those shown in the tables because these illustrations include only those children who had scores at both time periods.

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Figure 6.1

Teachers' Ratings of Academic Achievement, by Child's Gender

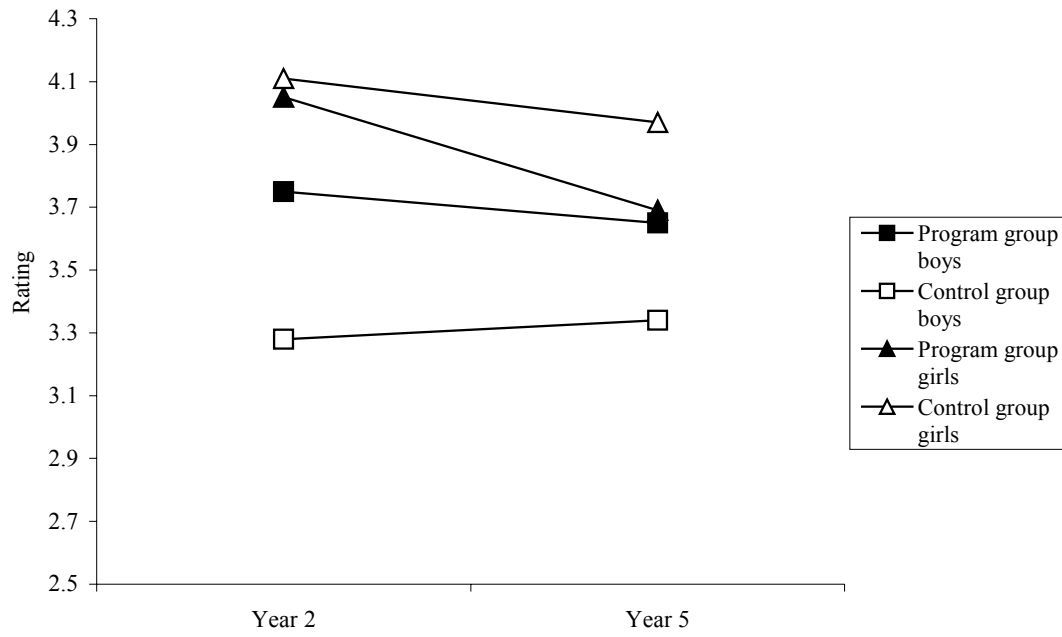


SOURCES: The New Hope two- and five-year surveys.

The New Hope Project

Figure 6.2

Teachers' Ratings of Classroom Skills, by Child's Gender

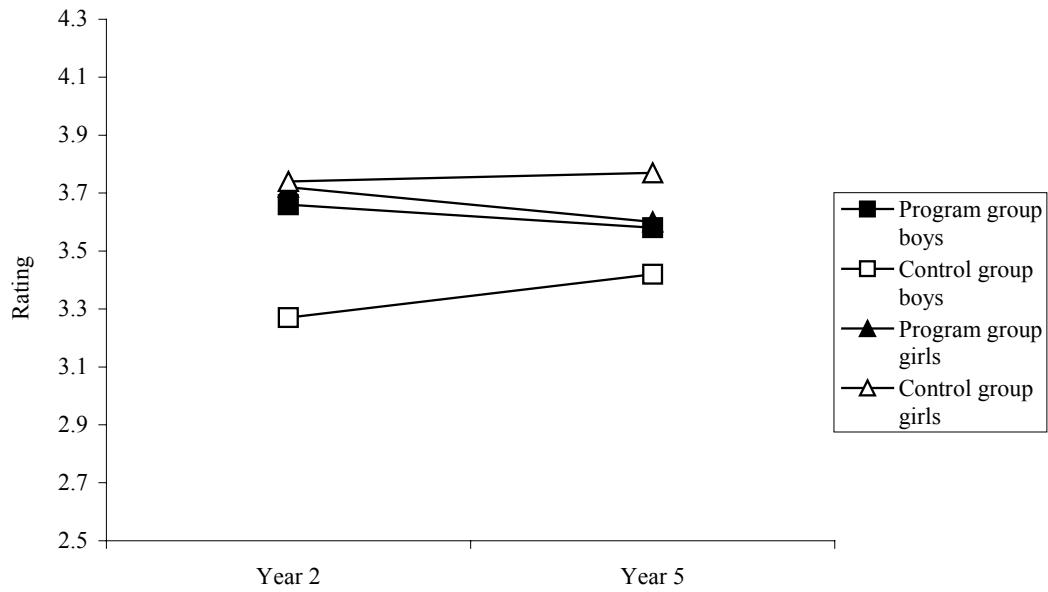


SOURCES: The New Hope two- and five-year surveys.

The New Hope Project

Figure 6.3

Teachers' Ratings of Positive Social Behavior, by Child's Gender

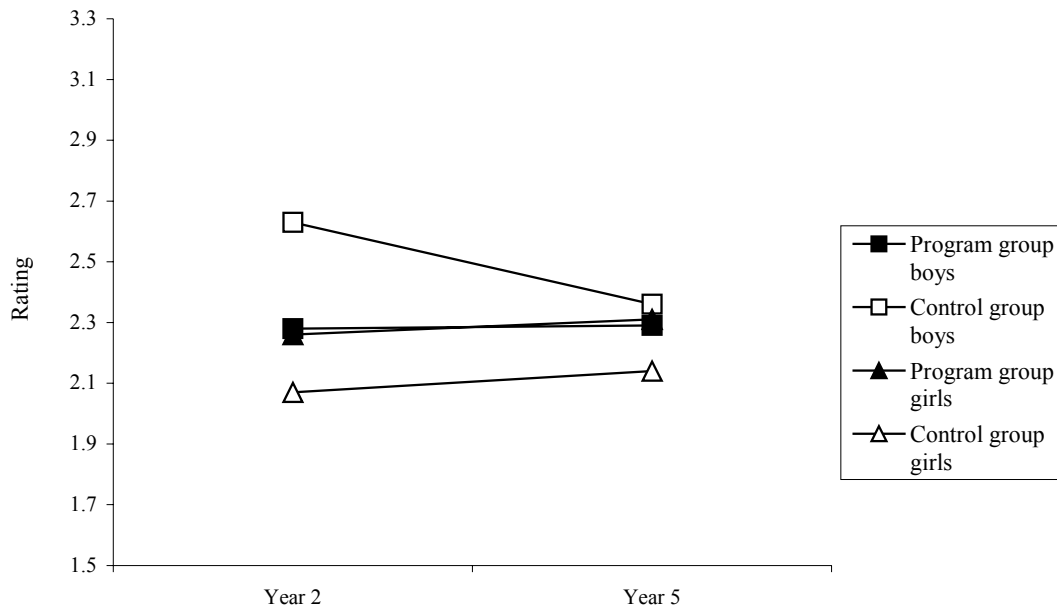


SOURCES: The New Hope two- and five-year surveys.

The New Hope Project

Figure 6.4

Teachers' Ratings of Problem Behavior, by Child's Gender



SOURCES: The New Hope two- and five-year surveys.

had less favorable scores on all the teacher-reported scales, and these negative impacts increased in magnitude from two years to five years.

Conclusion

Summary of Impacts

On the whole, children in New Hope program group families continued to fare better than those in control group families five years after their parents entered the program and two years after the program ended. They were making better academic progress (according to standardized achievement tests, parent reports, and teacher reports), and they displayed slightly more positive social behavior. Those who were in elementary school when their parents entered the program and had reached adolescence were more engaged with school, had higher hopes about their futures, had higher educational expectations, and expressed a greater desire to contribute to their communities in the future.

As was the case at the two-year follow-up, the program impacts were stronger and more consistent for boys than for girls. Most other studies of the effects of welfare reforms on children have not reported gender differences in impacts — which raises questions about whether there was something atypical about the New Hope sample. This question has been addressed in several ways. First, the large gender differences in experimental impacts in New Hope appeared primarily on teacher reports; for the most part, there were not significant gender differences in impacts for parent reports and test performance. Few other studies have included teacher reports, but a comparison with those that did indicates that gender differences are not unique to New Hope. Almost identical findings appeared in the New Chance study. For children ages 5 to 9 at the follow-up, there were positive program impacts on teacher ratings of positive behavior and problem behavior for boys but negative impacts for girls.²⁸

Second, teachers generally have more favorable impressions of girls than of boys. In New Chance, as in New Hope, they rated control group girls much more favorably than control group boys. Parents' ratings were less differentiated by gender in both studies (and in other similar studies). The most widely used scale of behavior problems — the Child Behavior Checklist — has published norms for teacher ratings of boys and girls. The average score on externalizing behavior problems is higher for boys than for girls.²⁹

²⁸Quint, Bos, and Polit, 1997.

²⁹Achenbach, 1991.

Could the gender differences be a result of initial differences between control group and program group children? The random assignment design makes it unlikely that there were initial differences, but this notion was tested by comparing program and control group boys on 33 baseline variables. One would expect 10 percent of these comparisons to reach a significance level of .10; in fact, 4 out of 33 (12 percent) reached this level. Two out of 33 (6 percent) reached a level of .05; one would expect 5 percent to reach this level by chance. In a similar comparison for girls, 1 out of 33 (3 percent) reached a probability of less than .10. The most parsimonious interpretation of these results is that there were not initial systematic differences between boys in families assigned to the program and control groups. Moreover, all impact analyses included controls for baseline characteristics — a further protection against bias by initial characteristics.

Social Significance and Validity of Impacts

New Hope's impacts on several important child outcomes are statistically significant, but are they also socially and economically significant? Because many of the measures in this section contain scales that have different reference points, all tables show effect sizes as one means of estimating the magnitude of the program impacts. Cohen provides one way of understanding what an effect size means: .10 is considered small; .30 is medium; and .50 is large.³⁰ An economic perspective compares the value of the impacts to the costs of producing them.

Using Cohen's criteria, many of the impacts of the New Hope program were "small" to "medium." Given the long time period between the program and the measured outcomes, these differences are sufficiently large to be socially important. An effect size of .12 on the reading achievement test's standard score, for example, indicates that the average child in New Hope scored above 54 percent of the children in the control group. The average boy in a New Hope family scored higher than 57 percent of the boys in control group families.

The New Hope impacts are also impressive when compared with the impacts of intensive early interventions designed specifically to improve school performance of low-income children. The Abecedarian program, for example, provided full-day, high-quality child care from infancy until school entry; it was tested with a random assignment experimental design. At age 12, the children in the intervention group scored 5 to 7 points higher than control group children on the Woodcock-Johnson scales of reading and math achievement.³¹ The children in New Hope scored approximately 1.5 to 3.0 points higher than control group children. Hence, New Hope produced about one-third of the gain that occurred in a very intensive and expensive early intervention program.

³⁰Cohen, 1988.

³¹Ramey et al., 2000.

The impacts on children's achievement are particularly persuasive, because they appeared on measures obtained from multiple sources: standardized tests, parents, teachers, and the children themselves. Teachers were given no information about children's participation in New Hope or other interventions, so the program-control group differences on the teacher ratings are unlikely to have been affected by knowledge of the intervention. Impacts also occurred for answers that children themselves provided. In short, the program impacts are real, and they are large enough to be socially significant.

Chapter 7

Conclusions and Implications

New Hope was an innovative program designed to encourage work, to reduce poverty, and to demonstrate effective policies for working-poor adults and families. Its underlying principles were that people who are willing to work full time should be able to do so and that they should not be poor when they do. The program — in existence from 1994 through 1998 — consisted of four key components: job assistance, including referral to a wage-paying community service job when necessary; an earnings supplement for full-time workers that was designed to raise their income above the poverty level; subsidized health insurance; and subsidized child care. High-quality staff services were available in an atmosphere of respect and encouragement; project representatives offered participants assistance in conducting job searches, finding child care, and solving other employment-related problems. An important feature of New Hope was that it let working parents choose among a suite of benefits, to be used according to family needs and preferences.

The initial New Hope model did not envision time limits, that is, a time when the program's support for work would end. Funding constraints dictated this change in the original model. But because the New Hope offer did, in fact, expire after *three* years while the analyses presented here represent data that were collected *five* years after random assignment, this report concerns the lasting impacts that are associated with a time-limited model.

New Hope was not designed as a “welfare-to-work” program but, rather, as a program to demonstrate the effects of supports for work among low-income persons, regardless of family status. As such, the intervention was intended to increase adult employment and income; it was not focused directly on children. In fact, however, strong lasting effects of the program occurred for children.

Five years after their parents entered the New Hope program, children performed better on academic achievement — particularly reading — as measured by three independent sources: standardized test scores, parent reports, and teacher reports. There were some positive impacts on children's motivation and social behavior as well. A summary of New Hope's impacts on children and families appears in Table 7.1. Although the absolute effects are not large, they are sufficiently large to be socially important, given the long time period between the program and the measured outcomes. The average child in New Hope scored above 54 percent of the children in the control group on a standardized reading test. The long-term gains in achievement that were produced by New Hope were about one-third the size of the gains produced by the Abecedarian program, a very intensive and expensive early intervention program that was implemented in the 1970s.

The New Hope Project

Table 7.1

Summary of New Hope's Impacts

Outcome	Program Group Versus Control Group
Parents' employment and income	Modestly higher income Less poverty More stable employment Higher wages
Parents' well-being	No difference in material or financial well-being Slightly better physical health Fewer depressive symptoms Better awareness of public and community resources Better able to sustain daily routine
Parenting	Few overall effects Fewer problems with control in discipline situations <i>Boys:</i> More positive parent relations <i>Adolescents:</i> More effective child management
Child care	More center-based care More after-school programs Less home-based care Less unsupervised care Fewer changes in arrangements
Children's out-of-school activities	More participation in religious activities and organizations <i>Adolescents:</i> More participation in structured activities (for example, sports, lessons, community centers)
Children's academic achievement	Better scores on standardized reading achievement test Better reading performance (as reported by parents) <i>Boys:</i> Better academic skills (as reported by teachers)
Children's motivation and well-being	No overall impacts <i>Boys:</i> Higher educational expectations Greater school engagement <i>Adolescents:</i> Higher educational expectations Greater school engagement Increased feelings of efficacy to reach goals Greater future community involvement
Children's social behavior	More positive social behavior (as reported by parents) No difference in risky, delinquent behavior <i>Boys:</i> More positive social behavior (as reported by teachers) More appropriate classroom behavior (as reported by teachers) Less hostility in provocation situations <i>Girls:</i> Less positive social behavior (as reported by teachers) More problem behavior (as reported by teachers)
Children's health	No impacts

How and why did New Hope lead to lasting gains for children? Attempts to answer this question examined both direct and indirect pathways. The program was designed to increase parents' employment and families' material resources, and it did. Although the impacts on employment and income faded somewhat after Year 3, New Hope participants had more stable employment, lower rates of poverty, and higher wages at the five-year point. Stable employment and modestly higher income may have contributed both to resources for children (for example, center-based child care) and to parents' psychological well-being.

Compared with the control group, program group parents reported better physical health and slightly lower levels of depressive symptoms — both indicators of adult well-being. Perhaps more important, there was some evidence that program group parents were more aware of community resources and of the Earned Income Tax Credit (EITC). Ethnographic data suggest that a significant number of families intentionally used the EITC as a savings plan for making major purchases, reducing debt, and stabilizing rent and other payments.

Changes in parents' employment and family income are likely to affect children through their impacts on everyday experiences at home and away from home. The initial model for New Hope identified parenting and parent-child relations as well as environments outside the family (such as child care and structured activities) as the likely pathways. Although there is a great deal of evidence showing that income affects parents' well-being, which, in turn, contributes to positive parenting, this study found very modest evidence for program impacts on parental warmth, disciplinary practices, or ability to provide effective management of children's behavior. Program group parents felt more in control of their children and provided more effective child management (for example, infrequent discipline), especially for their adolescents. Program group boys and their parents had somewhat more positive relationships and better communication than boys in control group families.

These modest positive changes in parenting could partly account for children's better academic and social behavior, but parents' experiences of control could, of course, also be a result of the children's more positive social behavior and better school performance. Ethnographic evidence suggests that positive and trusting relationships with children mediated the ability of parents to monitor their children while they were working (for example, by phone). In this context, it is noteworthy that program group boys reported higher levels of parental monitoring than did control group boys. Recent studies show that parental monitoring of children's whereabouts, friends, and activities is at least as much an indicator of children's willingness to share information and to communicate with their parents as it is an indicator of parents' vigilance and supervisory efforts.¹ The more positive communication and relationships between

¹Kerr and Stattin, 2000.

parents and boys may have enhanced parents' ability to maintain employment without compromising their family responsibilities.

Parenting involves more than direct interaction with children; parents affect their children by the arrangements they make for children's experiences in school, the community, and other settings. This aspect of parenting is often referred to as "family management." New Hope had strong impacts on children's experiences outside the family over the entire five-year period. Even though New Hope child care subsidies ended after three years, parents continued to use more formal center-based and after-school child care during the school year and more formal care during the summer. By contrast, control group children were more likely to be unsupervised and to be cared for by a minor during the summer. In addition, ethnographic data demonstrate that New Hope families had more stable child care arrangements (that is, fewer unexpected changes in child care) than did control group families in the final year of the program and for about a year thereafter.

Stable center-based child care and after-school programs have been shown repeatedly to contribute to children's academic performance and to the development of social skills. In a large-scale longitudinal study, children who attended child care centers performed better on academic and cognitive skills than did those who experienced home-based child care, even when the quality and amount of care were controlled.² Similarly, low-income children who attend after-school programs perform better in school and have more positive social behavior than those who do not.³ Among low-income children in the New Chance study, stable child care predicted school readiness and positive social behavior.⁴ Stable center-based care can be a support for, as well as a consequence of, stable parental employment. Conversely, experiences in home-based and unsupervised care may have less salutary results, such as watching more television or hanging out with unsupervised peers, and it is often less reliable, making it a less effective support for parental employment.

It is striking that New Hope program parents continued to use formal child care after their eligibility for child care benefits had ended and that older children continued to participate in more structured activities. One reason may be that program group parents had gained more sophistication about the public and private resources available to them. This knowledge may be one enduring legacy of the high-quality information and assistance that parents had received from New Hope's project representatives. They may have been more proactive than control group parents in using a range of programs and services, particularly for older children. For ex-

²NICHD Early Child Care Research Network, 2000, 2002.

³Posner and Vandell, 1999.

⁴Bos and Granger, 1999.

ample, program group children participated in more religious classes and activities, suggesting that families made use of the resources offered by churches and other religious institutions.

New Hope parents had more positive attitudes about the value of organized activities for their adolescents, and their teenage children were more likely to participate in a range of such activities. These experiences may have contributed to children's social skills and to their motivation and interest in school. Adolescents in New Hope families had higher levels of school engagement, feelings of efficacy about achieving their goals, expectations to attend and complete college, and an expectation to contribute to their communities. Moreover, it is noteworthy that the impacts of New Hope on positive social behavior were slightly more consistent and lasting than were the impacts on problem behavior, particularly for adolescents. One of the continuing issues in developing programs for young people is the tension between positive youth development and prevention of negative behavior. This study's findings suggest that the experiences generated by participation in New Hope contributed to positive youth development — which is defined as more than simply the reduction of problem behaviors.

The sustained impacts of New Hope on children's academic performance may have resulted from the lasting effects of the program on children's environments at home and away from home. But the lasting effects may also have resulted from advantages accrued during the three-year benefit period, which led to an upward spiral. That is, the better school performance (as rated by teachers) that children demonstrated at the two-year evaluation could have led to experiences of success, positive attitudes about school, and positive perceptions by teachers that were self-perpetuating. The initial treatment-induced changes in children's behavior may also have affected the home and school environments that they experienced, either by eliciting particular reactions from the people around them or by leading the children to seek out different activities, settings, and peers.⁵

In both the two-year and the five-year evaluations, the program impacts were more consistently positive for boys than for girls. Ethnographic data described in the two-year report suggest that parents perceive more dangers facing their boys than their girls and that many families used the additional resources from New Hope to provide boys with positive experiences and environments. For example, during the two years after random assignment, program group boys were more likely than girls (and control group boys) to be in after-school child care and structured activities. Although the positive impacts on parent-child relations continued to be slightly greater for boys than for girls, the impacts on child care and activities outside the home were generally similar for girls and boys; hence, these experiences do not appear to account for the relatively large gender differences in impacts on the children.

⁵Entwisle, Alexander, and Olson, 1997; Scarr and McCartney, 1983.

The gender differences in impacts should be considered in light of boys' greater vulnerability and higher risk of school failure. In the control group, boys had lower scores than girls did on academic and social behavior, particularly as rated by teachers. In effect, New Hope raised the scores of boys to be approximately equivalent to the scores of girls in control group families.

Girls in New Hope families manifested a mix of positive and negative responses. Despite the fact that program group girls' achievement test scores and parent-reported achievement were slightly better than those of their control group counterparts, teachers rated New Hope girls more negatively on both classroom and social behavior than they did control group girls. In turn, program group girls tended to lack engagement with school and school-related activities and had lower educational expectations. One possible explanation is that girls in New Hope families became more independent or assertive as a result of their parents' involvement in the world of work, but there was no support for this hypothesis in the data (for example, on measures of assertiveness and efficacy). A second possible explanation is that New Hope girls may have assumed more responsibility at home as the result of their parents' working more; however, there was no evidence that program group girls were assigned more household or child care tasks. Third, if parents allocated scarce resources to their sons, daughters in New Hope families might have felt resentment; however, if this were the case, one would expect to see impacts on parents' ratings of social behavior rather than on teachers' ratings. The reasons for these negative patterns remain unclear, but the findings are nevertheless of concern. If the negative impacts on school behavior and involvement continue, they could result in lower educational attainment for girls.

At the five-year evaluation, the oldest children in the sample were adolescents (up to age 16). Program impacts on this age group were generally positive. Adolescents in program group families had higher levels of school engagement and efficacy and were more likely to expect to go to college than adolescents in control group families, and their parents reported more effective child management. These findings conflict with a recent meta-analysis of several welfare and employment programs, which indicated some negative impacts on adolescents' school progress and deviant behavior.⁶ One important difference between the present New Hope sample and those in the meta-analysis is the children's ages when their parents entered the program. New Hope's adolescents were in middle childhood (ages 8 to 11) when their parents entered the program. They were still at an age when the child care benefits could be used to provide care and supervision while parents were working, whereas children over age 12 were not eligible for such benefits. It may be easier to redirect a child's developmental trajectory in middle childhood than in adolescence, in part because parents have more control over the settings in which their children spend their time. These findings suggest the importance of child care set-

⁶Gennetian et al., 2002a.

tings and youth programs in middle childhood as well as adolescence, both as contributors to positive youth development and as supports for parental employment.

One goal of the report is to identify the pathways by which the New Hope intervention affected the well-being of families and children. The conceptual model proposed that parental employment, greater income, and program benefits would affect children's everyday experiences, which, in turn, would influence their development. An experimental design allows one to infer that the treatment caused the child outcomes, but it is less informative about which aspects of the program were most important. There were modest impacts on family income, characteristics of parents' employment, parents' psychological well-being, and parenting efficacy as well as clear impacts on child care and out-of-school activities; but it is difficult, if not impossible, to pinpoint the contribution of each factor.

In fact, there may have been multiple paths of influence. The New Hope offer included a "cafeteria" of supports, which enrollees could assemble into a customized package to meet their specific needs. The core benefits included a wage supplement, access to community service jobs, and assistance with both child care and health insurance. These concrete supports were "wrapped" in a variety of less tangible supports, such as the relationship with a New Hope project representative, who worked with the enrollee in administering the core benefits, as well as workshops on practical topics and informal get-togethers with other enrollees. Enrollees could avail themselves of these "softer" benefits as they saw fit. Many parents in the ethnographic sample reported that their experiences with New Hope project representatives were very positive, particularly in comparison to experiences with welfare offices. The cafeteria model means that different participants could have very different experiences in the New Hope Project.

The diversity of the backgrounds and characteristics of the New Hope population — coupled with the project's cafeteria-style set of supports — might imply that different pathways led to observed impacts of New Hope for different families. Indeed, the ethnographic researchers observed varying responses to the New Hope offer as well as different life trajectories across the sample. It appeared that New Hope enhanced the overall ability of some program group families to find greater stability — to be able to better sustain their family's daily routine in the face of the cascade of problems that so often face working-poor parents. The survey analysis examined impacts for different ethnic groups and for parents with different initial employment characteristics to determine whether the program operated similarly for these groups. Although there were variations across groups in the impacts on employment and income, these variations did not translate into parallel differential impacts on children. It is possible, and even likely, that these different groups used and responded to New Hope in somewhat varied ways. No one pathway accounted for effects across all families, but the choices permitted by the program allowed parents to use the benefits in ways that fit their overall circumstances and preferences. This model fits the goal of allowing parental choice, which was part of the 1996 welfare reform legislation.

The results of the evaluation suggest that a program like New Hope may be beneficial to large parts of the population who are likely to need welfare. Although the participants in New Hope were volunteers for an employment-based incentive program, they were similar in many respects to single mothers receiving welfare assistance. The great majority of New Hope participants had received Aid to Families with Dependent Children (AFDC) in the prior year; the majority were unemployed; and half of them had earned less than \$1,000 in the year prior to enrollment in the study. The findings suggest that the components of the New Hope program may be useful policy for a wide range of low-income parents and welfare recipients. They support the wisdom of recent changes in federal policies that increased the value of the EITC and began to extend eligibility for Medicaid and child care subsidies beyond welfare recipients to all low-income families. This process is not complete, however, because funds are insufficient to meet the needs of all eligible families. It is likely that families and children will benefit from continuing the expansion of health and child care subsidies to cover the needs of all low-income working families.

Whatever the reasons, the combination of circumstances brought about by the New Hope program led to improved school performance and social behavior, particularly for boys. Interventions that create lasting improvements in school performance, motivation, and social behavior for boys living in poor families are few and far between. Many children in New Hope families are statistically at risk for school failure and other negative consequences. Their family incomes are low; most are ethnic minorities; and most are headed by single mothers. If the experiences provided through New Hope changed young boys' trajectories toward better school performance, more competent social behavior, and less aggression, the chances of school completion and socially competent adult development are likely to be increased. A program like New Hope may be especially beneficial for children who are in preschool or elementary school at its inception.

Formal child care, extended daycare in schools, and out-of-school activities appear to be important paths by which the New Hope program affected children. If this is correct, there are clear public policy implications. Public policy can readily increase the availability of center-based child care and after-school activities as well as other opportunities for supervised, structured activities for children and youth — which, in turn, may significantly alter the developmental trajectories of boys and girls in low-income families. Such opportunities may be particularly important for adolescents, for whom “child care” is no longer appropriate.

Stepping back, the New Hope experiment establishes the fact that work-based support programs *can* have beneficial effects on children. The annual cost of approximately \$5,300 per family (not per child) is not trivial. But the benefits of such programs are far from trivial.