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**Work-Based Strategies for
Hard-to-Employ TANF
Recipients: A Preliminary
Assessment of Program
Models and Dimensions**

Final Report

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*LaDonna Pavetti
Debra Strong*

with

*Ruchika Bajaj
Jon Jacobson
Chrishana Lloyd
Charles Nagatoshi
Randy Rosso
Ali Stieglitz*

Submitted to:

Department of Health and Human Services
Administration for Children and Families
Office of Planning, Research and Evaluation
370 L'Enfant Promenade, SW, 7th Floor
Washington, DC 20447

Project Officer:
Girley Wright

Submitted by:

Mathematica Policy Research, Inc.
600 Maryland Ave., SW, Suite 550
Washington, DC 20024
(202) 484-9220

Project Director:
LaDonna Pavetti

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EXECUTIVE SUMMARY

WORK-BASED STRATEGIES FOR HARD-TO-EMPLOY TANF RECIPIENTS: A PRELIMINARY ASSESSMENT OF PROGRAM MODELS AND DIMENSIONS

This report documents the findings from a short-term study that Mathematica Policy Research, Inc. conducted to help the Department of Health and Human Services, Administration for Children and Families, Office of Policy, Research and Evaluation identify promising employment-focused strategies for individuals on welfare who face challenges in their efforts to leave welfare for work. The study was designed to achieve two goals: (1) to identify and provide detailed information about the design and structure of work-based programs that serve or that have the potential to serve hard-to-employ TANF recipients and (2) to assess the feasibility of conducting a rigorous, large-scale evaluation of such programs.

THE IMPETUS FOR THIS STUDY

Interest in work-based programs for the hard-to-employ is motivated by three factors. First, there is growing and widespread concern that families who are currently receiving TANF benefits face multiple and significant barriers to employment, and that these families may therefore need more assistance in finding and maintaining a job than what is provided by traditional “work first” programs. Second, the heavy emphasis on quickly engaging TANF recipients in work activities has rekindled interest in exploring whether programs similar to those implemented through the National Supported Work Demonstration project might be replicable in the current post-welfare reform environment. Finally, there is an interest in exploring whether work-based strategies being used for other hard-to-employ

populations outside the TANF system (e.g., the disabled, the homeless, ex-offenders) could be expanded and/or adapted to serve TANF recipients.

METHODOLOGY

This project was intended to be exploratory in nature. Relying on written materials and conversations with a broad range of individuals familiar with state and local programs for TANF recipients and populations who have traditionally had a hard time finding paid employment (e.g., ex-offenders, the homeless and the disabled), we initially gathered basic information on 65 programs. We then conducted informal telephone conversations with 33 programs and conducted site visits to nine programs. When selecting programs for inclusion in this analysis, we were looking for programs that contained some or all of the following elements:

- **Pre-employment preparation and planning**, including comprehensive assessments of participants' capabilities and their potential treatment or support needs, evaluation of vocational aptitude and interests, job matching, and life skills training.
- **Work in real jobs for pay**, including transitional employment in social enterprises, sheltered workshops, not-for-profit organizations, government agencies, and regular competitive employment.
- **Close supervision**, including regular evaluation and feedback, teaching, and development of work habits and job retention skills.
- **Gradually increased performance expectations** including progressively better job performance, more stringent attendance and punctuality requirements, and decreasing intensity of supervision.
- **Formal and informal support mechanisms**, such as work crews, peer support structures, access to logistical supports such as child care and transportation, and interventions to manage work-related personal or family needs.

WORK-BASED PROGRAM MODELS FOR THE HARD-TO-EMPLOY

In our assessment of work-based programs for hard-to-employ individuals, we identified four different program models that are currently being used to help hard-to-employ individuals find and maintain employment: paid work experience programs, supported transitional publicly funded jobs programs, supported transitional structured employment programs, and supported competitive employment programs. While these models are similar in some respects, they are quite different in others.

Model I: Paid Work Experience Programs

Paid work experience programs (Model I) provide temporary employment to program participants through a social enterprise -- a program-operated business that employs groups of individuals who would otherwise be unemployed. Most of the support for participants is provided through on-site job supervision, and it ends with the transition out of the program and into competitive employment. Very little additional support, such as intensive case management or job coaching, is provided. The programs are targeted primarily to individuals who lack work experience. Revenues from social enterprises are used to pay the wages of program participants.

Model II: Supported Transitional Publicly Funded Jobs Programs

Supported transitional publicly funded jobs programs (Model II) differ from Model I programs in several important ways. First, instead of providing employment in a group setting with extensive on-site supervision, they provide temporary paid work experience to program participants in non-profit organizations, government agencies, or private sector businesses, usually through individual placements. Supervision is provided by employees of the work site and is not expected to be any different than the supervision provided to all employees. Additionally, these programs subsidize participant wages by using government funds from Welfare-to-Work (WtW) grants or from the TANF program, making them more costly than Model I programs. Participants in these programs do, however, receive more personal support than those participating in Model I programs. An assessment is generally conducted when participants enter the program and case management services are provided to help them address personal and family challenges. Before their placement ends, participants receive some job-search assistance and post-placement support, although it is usually quite modest.

Model III: Supported Transitional Structured Employment Programs

Supported transitional structured employment programs (Model III) are characterized by their emphasis on providing transitional employment opportunities in a “forgiving” work environment prior to placing participants into competitive employment and on providing intensive personal and employment support for as long as it is needed. These programs offer initial transitional employment in a controlled setting such as a sheltered workshop, a social enterprise, or a group placement within a private company. In many programs, the employment and the on-site supervision provided is similar to that provided by Model I programs. In some of these programs, wages are subsidized with public funds, while in others, wages are paid through program revenues. While they are in transitional employment, participants receive substantial support, including intensive on-site employment supervision, case management and job coaching. The support they receive is usually far more intensive than that received by participants in Model I and Model II programs. The primary goal of these programs is not only to provide clients with work

experience, but also to help participants find permanent employment. Thus, considerable assistance is provided to help clients find a good job match and then job coaching support is provided until it is no longer needed. Many of these programs are operated by agencies that have traditionally served disabled clients, and, are often, but not always, targeted to TANF recipients with disabilities or who are nearing a time limit.

Model IV: Supported Competitive Employment Programs

Unlike the other three program models, supported competitive employment programs (Model IV) place program participants directly into competitive employment, rather than initially placing them in a transitional employment situation. These programs mirror supported employment programs for the disabled and are usually operated by organizations that have long histories of helping disabled clients find employment. The goal of these programs is to place hard-to-employ TANF clients into paid competitive employment as quickly as possible—sometimes immediately, and usually within a few months at the most—and then to provide significant support to promote success at the workplace. Wages are not subsidized and, as in Model III programs, considerable emphasis is placed on making a good job match. Case management addresses both vocational needs, and personal and family needs. Like Model III, once employment begins, job coaches or employment specialists provide extensive support to clients, and post-employment support continues for an extended period. These programs are almost always targeted to TANF clients with suspected or confirmed disabilities.

EVALUATION CONSIDERATIONS

None of the programs we examined have been rigorously evaluated. However, the placement and retention data for some of these programs suggest potentially successful interventions. For example, Morgan Memorial Goodwill Industries in Boston has a placement rate of 75 percent. Employment Trust, Inc., in Portland, ME achieved a placement rate of 81 percent last year among its Managed Work Services participants—82 percent were still employed 90 days after placement and 59 percent were employed a year later. SOC Enterprises in Arlington, VA placed 59 percent of its clients in jobs, all of whom had diagnosed disabilities and 70 percent remained in the same job at 90 days. The IRIS program in Minneapolis, MN achieved a 50 percent placement rate, and 92 percent of its participants were still employed 9 months after placement.

Experimental evaluations that provide program services to some clients but not to others are complex to implement, but they provide the most reliable way of determining whether program participants do better than they would have if the program services were not provided to them. An experimental evaluation of one or more of these models would help to establish the true impact of these programs on the employment and earnings of hard-to-employ TANF recipients. This information would enable policy makers and program administrators to compare the costs and benefits of a particular program model to

alternative approaches, such as work first policies or a rival work-based model. The information could also be of value to states in deciding how to best use their limited resources to meet federal work participation requirements for TANF recipients and to reduce the proportion of the caseload that hits a time limit.

Although experimental evaluations are preferred over other possible evaluation strategies, this does not mean that other evaluation options should not be considered. In fact, when so little is known about programs such as those described in this report, other types of studies have the potential to significantly increase our knowledge of how these programs operate and what outcomes might be expected. For example, an enhanced process study that examines both program implementation and program outcomes could increase our knowledge about it takes to implement these programs, who participates in them, and who finds and keeps employment and who does not. Similarly, an explanatory case study design could be used to evaluate programs that are too small for statistical analysis. Through explanatory case studies, investigators can generalize about *theories* about how programs work instead of about how programs affect *populations*. For instance, an investigation might focus on theories that explain how certain program components achieve certain outcomes, or why individuals with certain characteristics experience different outcomes. A rigorous case study approach could yield valuable evidence on effective strategies and appropriate target populations for specific types of work-based programs.

POTENTIAL FOR EXPANSION AND REPLICATION

In our in-depth conversations, we asked program administrators whether they could expand their program to serve more TANF clients. We also asked them whether or not they thought their programs could be replicated in other communities. Nearly every program administrator responded that their programs could serve more clients if they received additional money or more referrals from the welfare office. The latter view was expressed primarily by administrators of programs that target TANF recipients with a suspected or confirmed disability. One of these program administrators estimated that as many as one-third of the current TANF caseload would be eligible for their services. But in welfare offices, high caseloads, a continued emphasis on getting clients into work quickly with minimal services, and a limited understanding of how to identify clients who may have undiagnosed or “hidden” disabilities all limit the number of referrals to these programs. The primary issue faced by programs that target a broader population is competition with many other providers for a shrinking pool of clients.

Most program operators felt their programs could be replicated in other communities with minimal difficulty because the infrastructure is, to some extent, already in place. For instance, community rehabilitation providers noted that there are organizations similar to theirs all over the country. It would be more complicated to replicate paid work experience and publicly funded jobs programs because they require creating either a business through which paid work experience can be provided or a local infrastructure that can manage the process of identifying and monitoring numerous work sites and paying wages to program

participants. In Washington State, community organizations or collaboratives perform these functions under contract with the state, while in Philadelphia, a new nonprofit organization was created to manage these efforts.

In an exploratory study such as this, it is impossible to obtain detailed information on program costs. Clearly, these are expensive programs, ranging in cost from \$3,500 to as much as \$10,000 per person, not counting referrals to already existing programs (e.g., substance abuse and mental health treatment). While these costs are substantially higher than those for most job-search and placement programs, for most states they are probably affordable for at least a portion of the TANF caseload. However, if TANF caseloads begin to increase, these programs may end up competing for a limited pool of resources.

CHAPTER I

INTRODUCTION

This report documents the findings from a short-term study that Mathematica Policy Research, Inc. conducted to help the Department of Health and Human Services, Administration for Children and Families, Office of Policy, Research and Evaluation identify promising employment-focused strategies for individuals on welfare who face challenges in their efforts to leave welfare for work. The study was designed to achieve two goals: (1) to identify and provide detailed information about the design and structure of work-based programs that serve or that have the potential to serve hard-to-employ TANF recipients and (2) to assess the feasibility of conducting a rigorous, large-scale evaluation of such programs.

We start this report with a discussion of the impetus for this study, focusing on the current policy and programmatic environment, and on lessons learned from evaluations of earlier efforts to promote work among hard-to-employ individuals. We then discuss our research approach and findings, including the identification of four distinct program models and the key dimensions of the programs we identified and examined. This is followed by a discussion of considerations for evaluating these programs. We conclude with a summary of our findings.

A. IMPETUS FOR THIS STUDY

The impetus for this study has three dimensions. First, there is widespread concern that families who remain on the welfare rolls and some who have already left face multiple and significant barriers to employment, and that these families may need more assistance than traditional work first programs provide to find and maintain employment. Second, the strong emphasis on quickly engaging TANF recipients in work activities has rekindled interest in exploring whether programs similar to those implemented through the National Supported Work Demonstration project might be replicable in the current environment. Finally, there is an interest in exploring whether work-based strategies are being used for

other hard-to-employ populations (e.g., the disabled, the homeless, ex-offenders) outside of the TANF system that could be expanded and/or adapted to address the needs of TANF recipients.

1. Addressing the Needs of Hard-to-Employ TANF Recipients

Early implementation studies of TANF suggest that states have made significant progress in shifting to a more work-oriented assistance system. Welfare caseloads have fallen 49 percent in the U.S. since the enactment of TANF, and the percentage of working recipients reached an all-time high of 33 percent in fiscal year (FY) 1999, compared to less than 11 percent in 1996. The dramatic decline in the TANF caseload has spawned numerous research studies to examine the circumstances of families who left the welfare rolls. But caseload declines appear to have leveled off in some states, and policy makers and program administrators are now focusing more attention on those who remain on welfare and those who have left but are not working.

Although there is limited information on the characteristics of families remaining on the TANF rolls, there is widespread concern that these families face more barriers to employment than families who have already left the welfare rolls, and that they will need more assistance to move from welfare to work than most welfare employment programs are set up to provide. In addition, although many families who have left the welfare rolls are employed, a substantial minority are not.¹ Like families who remain on the TANF caseload, there is some concern that these families face substantial barriers to employment.

A few recent studies question whether families currently receiving TANF are *more* disadvantaged than families receiving cash assistance prior to welfare reform.² However, studies that compare the characteristics of current and former recipients find that those who remain on the welfare rolls are more disadvantaged than those who have left.³ This suggests that even if the current TANF caseload is not more disadvantaged than the pre-welfare

¹Sarah Brauner and Pamela Loprest. (1999). "Where Are They Now: What States' Studies of People Who Left Welfare Tell Us." *New Federalism Issues and Options for States*. Series A, No. A-32. Washington, D.C.: The Urban Institute.

²Robert A. Moffitt and David Stevens. (2000). "Changing Caseloads: Macro Influences and Micro Composition," Paper presented at the conference, Welfare Reform Four Years Later: Progress and Prospects," Federal Reserve Bank of New York, November 17, 2000. Sheila R. Zedlewski and Donald Anderson. (2001). "Do Families on Welfare in the Post-TANF Era Differ from Their Pre-TANF Counterparts?" *Assessing the New Federalism Discussion Papers*. Washington DC: The Urban Institute.

³Pamela J. Loprest and Sheila R. Zedlewski. (1999). "Current and Former Welfare Recipients: How Do They Differ?" *Assessing the New Federalism Discussion Papers*. Washington DC: The Urban Institute. Sandra Danziger et al. (2000). "Barriers to the Employment of Welfare Recipients." In *Prosperity for All? The Economic Boom and African Americans*. R. Cherry and W.M. Rodgers, III, eds. New York, New York: The Russell Sage Foundation. Anu Rangarajan and Robert Wood. (2000). *Current and Former WFNJ Clients: How Are They Faring 30 Months Later?* Princeton NJ: Mathematica Policy Research, Inc.

reform caseload, many families currently receiving TANF experience substantial barriers to employment. Less information is available on families who have left and are not working, but the few available studies suggest that these families may also face substantial barriers to employment.⁴

An Urban Institute study based on a nationally representative sample of families receiving welfare in 1997 found that current recipients were generally more disadvantaged than former recipients. For example, 40.7 did not complete high school, compared with 28.9 percent of former recipients. While current and former recipients did not differ significantly on a number of other dimensions related to employment such as health status, current recipients were significantly more likely to experience multiple barriers to work. For example, 17 percent of current recipients had three or more obstacles compared with only 7 percent of former recipients. The percentage of former recipients with no significant obstacles was nearly double that of current recipients – 42 percent compared with 23 percent.⁵

Studies conducted in Michigan and New Jersey provide a more detailed examination of families who have not been successful at making a permanent transition from welfare to work. Thirty-two percent of families surveyed 30 months after they entered Work First New Jersey (WFNJ), New Jersey's TANF program, remained on TANF. Some received TANF continuously while others cycled on and off the welfare rolls. Those who remained on the welfare rolls (stayers) had less education than those who had left TANF. Three of four TANF stayers had some serious health problem; more than one in three had been seriously ill in the past year. In addition, more than half the TANF stayers faced multiple employment barriers, such as poor health, low education levels, and no recent employment history. About two-thirds had received welfare for more than one year prior to entry into WFNJ. In spite of these barriers, two-thirds of stayers had worked since entering WFNJ. They typically worked in lower-paying jobs than those held by clients who had left WFNJ and were more likely to have worked in seasonal or temporary jobs.⁶

The Women's Employment Study conducted in an urban county in Michigan is the most extensive study of potential barriers to employment conducted to date. This study found that that more than 27 percent of recipients suffer from a major depressive disorder; 19 percent suffer from a health problem; 22 percent are caring for a child with a health problem; 15 percent are current victims of domestic violence; 30 percent have not completed high school and 47 percent do not have access to a vehicle or a license to drive.

⁴Sheila R. Zedlewski and Pamela Loprest. (forthcoming fall 2001). "How Well Does TANF Fit the Needs of the Most Disadvantaged Families" in *The New World of Welfare*, edited by Rebecca Blank and Ron Haskins. Washington DC: The Brookings Institution.

⁵Loprest and Zedlewski, 1999

⁶Rangarajan and Wood, 2000.

With only a few exceptions, the prevalence of personal and family challenges is far greater among welfare recipients than among all adult women. For example, welfare recipients are twice as likely to suffer from a major depressive disorder and five times as likely to be a current victim of domestic violence.

Personal and family challenges that significantly reduced the likelihood that a recipient was meeting her work requirements included low education, few work skills, lack of work experience, poor access to transportation, health problems, drug dependence, major depression and experiences of perceived workplace discrimination. Multiple barriers to employment were common: 37 percent had two or three barriers; 24 percent, four to six barriers; and three percent, seven or more barriers. The prevalence of multiple barriers to employment is important as the likelihood of working twenty or more hours per week decreases sharply as the number of barriers increases. For example, the likelihood that a single, African-American mother, aged 25 to 34 living in an urban area with one child under the age of two worked twenty or more hours per week is 60 percent; if she had between 4 and 6 barriers, the likelihood decreased to just 40 percent.⁷

Of families who have left the welfare rolls, those who have been sanctioned for failure to comply with program requirements are of particular interest. Families who have been sanctioned are heterogeneous, but several studies have found that hard-to-employ families are over-represented.⁸ In Tennessee, 60 percent of sanctioned families did not have a GED or a diploma compared to 40 percent of families who left TANF for work. In South Carolina, 36 percent of recipients who were high school dropouts were sanctioned compared to 22 percent of high school graduates. Long-term recipients were over-represented among sanctioned families in South Carolina.; 38 percent of long-term recipients were sanctioned compared to 21 percent of shorter-term recipients. In Michigan, sanctioned families were more likely to have some involvement with the child welfare system than a sample of the full caseload. In Minnesota, sanctioned families had higher rates of mental health problems, learning disabilities, and substance abuse, and lower skill levels, than all active cases.

2. The Legacy of the National Supported Work Demonstration Project

The National Supported Work Demonstration (conducted from 1975 to 1978) was designed to test a subsidized work experience program on four target groups considered to face serious barriers to finding and maintaining employment: ex-offenders, former drug addicts, young high school dropouts, and long-term welfare recipients.⁹ Because participation in the Supported Work Demonstration had a significant positive impact on the

⁷Danziger et al 2000

⁸Heidi Goldberg, and Liz Schott. 2000. *A Compliance-Oriented Approach to Sanctions in State and County TANF Programs*. Washington, DC: Center on Budget and Policy Priorities.

⁹Robinson G. Hollister, Jr., Peter Kemper and Rebecca Maynard, editors (1984). *The National Supported Work Demonstration*. Madison, WI: The University of Wisconsin Press.

employment of long-term AFDC recipients, the target group considered at the time the most difficult to employ, the demonstration is frequently cited in discussions of employment and training programs for hard-to-employ TANF recipients. Supported work programs are of special interest now because they offer a rigorously evaluated work-based strategy for more disadvantaged populations.

The Supported Work Program Model. The goal of the Supported Work Program was to help participants develop productive work habits and general work-coping skills, rather than specific occupational skills. Though programs varied, all Supported Work Demonstration sites were expected to include a highly structured work experience component in a realistic work setting with close supervision, peer support, and “graduated stress” (increasing levels of responsibility and independence, and declining supervision). The programs were also mandated to develop other employment-related services, such as job-search training and placement assistance.

Thirteen sites served a total of 6,610 participants over the course of the demonstration, including 1,620 AFDC recipients. To be eligible to participate, AFDC recipients had to be currently unemployed and to have received AFDC benefits for 30 of the preceding 36 months. In addition, they could not have worked more than 3 months in a regular job during the previous 6 months, and their youngest child had to be 6 years of age or older. Participation in the Supported Work Demonstration was voluntary for all groups.

Implementing the program required providers to create businesses that provided jobs that were appropriate for participants’ skills. This requirement contributed to high program costs (about \$10,000 per person) and numerous implementation challenges. Programs with large numbers of AFDC recipients developed work sites in human and clerical services. While 47 percent of the ex-addicts, 38 percent of the ex-offenders, and 35 percent of the youth worked in construction jobs, 77 percent of the AFDC recipients worked in service sector jobs.

Program Impacts for AFDC Recipients. The program led to significant improvements in the employment experiences of AFDC recipients while they were in the program and during the post-program period. In every period of observation, a significantly higher percentage of the experimental group was employed, worked more hours, and earned a higher income than did the control group. It is not surprising that the experimental groups’ employment and earnings exceeded that of their controls during the early months after enrollment, since they were offered a full-time job paying at least the minimum wage, whereas the controls had to search for positions on their own. As participants began to leave their Supported Work jobs, the experimental-control differential fell to its lowest point, averaging 10 hours and \$54 per month. Although the program had significant effects on the employment and earnings of AFDC recipients (but not of the other groups), even when the post-program effects were strongest, only 42 percent of the former Supported Work participants were employed, and the average earnings of participants exceeded the average for controls by only \$81 per month.

3. Supported Employment Programs for the Disabled

During the same time that work programs were gaining prominence in the welfare arena, major efforts were undertaken within the disability community to expand the work opportunities available to persons with significant disabilities.¹⁰ During the 1960's, employment opportunities for persons with significant disabilities were primarily provided in segregated sheltered workshops. In the 1970's, selected university centers began placing persons with mental retardation in competitive employment on a research and demonstration basis. These efforts, which became known as supported employment programs, gained national acceptance and began to grow substantially during the 1980's, due in large part to several federal laws that provided funding for supported employment programs. By 1995, nearly 140,000 persons were participating in supported employment programs provided by 3,690 agencies.

The Supported Employment Program Model. Although supported employment programs vary, they share a number of common elements.¹¹ A key element is that people are placed in individual competitive jobs and are paid directly by the employer, at the prevailing wage. Everyone is presumed employable, without regard to label or perceived level of disability. Assessments are often extensive, comprehensive and continuous, but are not done to figure out "what's wrong" and how to "fix it," or to see if the person is "ready" to work. Supported employment programs place great emphasis on matching the unique, individual needs, interests, and abilities of the individual with the needs of an employer. Instead of modifying behavior before an individual can work in the community, emphasis is placed on matching the person with an environment which meets their needs. Training and support on the job is done to the fullest extent possible by the employer and is supplemented only as needed by disability professionals. These professionals (often called job coaches or employment specialists) supplement the available supports by providing direct service and training to program participants at the job site. As an individual becomes assimilated on the job, the presence of agency staff on the job site gradually decreases. These program also place a strong emphasis on identifying "natural supports" that can be used to support the transition to work. Natural supports include supervisors, co-workers, family members and other supportive networks in the community. Periodic follow-up support is provided indefinitely to assure continued success.

Supported Employment Impacts. A recent article examining the effectiveness of psychiatric rehabilitation approaches for employment of people with severe mental illness concludes that supported employment programs have been far more effective at increasing employment among this population than other program models such as traditional

¹⁰Grant Revell, Katherine J. Inge, David Mank and Paul Wehman. 1999. *The Impact of Supported Employment for People with Significant Disabilities: Preliminary Findings from the National Supported Employment Consortium*. Richmond, VA: Virginia Commonwealth University Rehabilitation Research and Training Center on Workplace Supports.

¹¹The Institute for Community Inclusion. "Quality Supported Employment: What Is It?"

vocational services and sheltered workshop approaches. Across six experimental studies, the mean rate for obtaining competitive employment was 58 percent for persons participating in supported employment programs and 21 percent for controls.¹² Problems encountered in these programs included several issues that have plagued many welfare employment programs including high dropout rates, placement in entry-level jobs and problems with job retention.

B. METHODOLOGY

This project was intended to be exploratory in nature. Our primary goal was to gather as much information as possible on work-based strategies for the hard-to-employ and then assess whether these strategies could be expanded or adapted to help hard-to-employ TANF recipients move into the paid labor market. Our plan was to initially gather limited information on a large number of programs and use this information to select a subset of these programs for more in-depth study. We were looking for programs that exhibited characteristics similar to those in the programs evaluated as a part of the National Supported Employment Demonstration project or in supported employment programs for the disabled, including some or all of the characteristics identified below:

- **Pre-employment preparation and planning**, including comprehensive assessments of participants' capabilities and their potential treatment or support needs, evaluation of vocational aptitude and interests, job matching, and life skills training.
- **Work in real jobs for pay**, including transitional employment in social enterprises, sheltered workshops, not-for-profit organizations, government agencies, and regular competitive employment.
- **Close supervision**, including regular evaluation and feedback, teaching, and development of work habits and job retention skills.
- **Gradually increased performance expectations** including progressively better job performance, more stringent attendance and punctuality requirements, and decreasing intensity of supervision.
- **Formal and informal support mechanisms**, such as work crews, peer support structures, access to logistical supports such as child care and transportation, and interventions to manage work-related personal or family needs.

¹²Gary R. Bond, Robert E. Drake, Deborah R. Becker and Kim T. Mueser. 1999. "Effectiveness of Psychiatric Rehabilitation Approaches for Employment of People with Severe Mental Illness," *Journal of Disability Policy Studies*. Volume 10, number 1, pp. 18-52.

To the extent possible, we planned to include programs that were already serving TANF recipients, but we also planned to include programs serving other populations whose experience was potentially relevant to TANF recipients. In the end, we identified many more employment-based programs that were serving hard-to-employ TANF recipients than we anticipated. Thus, nearly all of the programs we selected for in-depth study were already serving TANF recipients. Before discussing the characteristics of these programs, we briefly describe our methodology for identifying and examining the design and structure of these programs.

1. Initial Identification of Work-Based Programs for Hard-to-Employ Individuals

Relying on a broad range of strategies, we identified, and conducted short screening calls to 65 programs that provide employment-related services to hard-to-employ populations. During the screening calls, we collected basic program information including provider agency characteristics and funding sources, target populations, and the presence of desired program elements.

To identify these programs, we initially met with several organizations with a stake in state welfare policy, including the National Governor's Association, The National Conference of State Legislatures, and the American Public Human Services Association. Using an existing joint e-mail contact system, these organizations sent an announcement to key state contacts notifying them that we were looking for work-based programs for hard-to-employ individuals. We also spoke with staff from other organizations that were engaged in efforts to examine or promote the development of employment programs for the hard-to-employ. Staff from the Center on Law and Social Policy were especially helpful in providing us with names of programs offering publicly funded jobs to TANF recipients. We also reviewed several recently published reports on innovative employment programs, searched the Internet for potential programs, and consulted with other researchers and program administrators who we knew were actively engaged in activities to address the needs of hard-to-employ TANF recipients. Finally, we sought program recommendations from experts in the field of supported employment for persons with disabilities and from representatives of the national offices of organizations such as Goodwill and the National Urban League.

2. In-Depth Telephone Conversations

After conducting the initial screening calls, we selected 30 programs for more in-depth conversations. Whenever possible, we selected programs that were already serving TANF recipients. We were also careful to select a broad range of programs, including some that placed clients immediately into competitive employment and some that provided transitional employment, some that used public funds to pay clients' wages and some that paid clients through their own business ventures.

During the in-depth conversations, usually lasting about an hour, we gathered information on client characteristics, program staffing, the referral and intake process,

assessment practices, pre-employment preparation activities, and employment placement and support activities. We also gathered background information on the organization operating the program. Whenever possible, we gathered information on program funding, costs, and outcomes. After completing these conversations, we prepared program summaries, each in the same format so that we could compare approaches across all of the programs. We also prepared summaries on an additional three programs, relying on existing written materials rather than telephone conversations. In the end, we used 28 of the 33 program summaries to complete the analysis in this report. The five programs we eliminated provided various levels of support to help TANF recipients or related populations find employment but more closely resembled work first programs.

The programs we contacted are operated by a broad range of organizations. Many are operated by community rehabilitation organizations, which were set up explicitly to provide employment-related services to disabled individuals. In addition to providing extensive services to help clients find and keep jobs in the competitive labor market, many of these organizations operate sheltered workshops or businesses to provide transitional or permanent employment to the clients they serve. A few organizations operate only as social enterprises; that is, their primary purpose is to provide employment to hard-to-employ individuals. In contrast to community rehabilitation organizations, social enterprises are often not set up to provide significant support to help the individuals they serve move into the competitive labor market or to support them after they make the transition. A few of the programs are operated by collaboratives, bringing together several organizations to provide a broad range of services to the individuals they serve. Others are operated by local non-profit organizations that have a long history of providing social services to economically disadvantaged individuals.

The programs also vary significantly in the number of clients they served. The smallest program served only five clients, while the largest served 6,000. A number of programs, especially those operated by the community rehabilitation agencies, expect to serve between 50 and 100 clients per year.

3. Site Visits

We conducted site visits to nine programs to gather more detailed information on the same topics we covered during the in-depth telephone conversations. During the visits, usually lasting one day, we gathered information on program operations and on the characteristics of provider organizations, observed program activities, and talked with program staff about the challenges they faced in implementing their programs. In selecting programs for the site visits, our primary goal was to choose at least one program that represented each of the primary program models that we identified during our in-depth conversations. All except one of the programs we visited currently serve TANF recipients, although most did not serve only TANF recipients. Other populations served include the disabled (primarily developmentally disabled persons and persons with mental health issues) and ex-offenders.

CHAPTER II

PROGRAM MODELS

The employment programs we examined varied along a number of dimensions including how and whether transitional employment is provided, how participants are paid for the work that they do and the type and amount of support that is provided to them. Taking this variation into account, we identified four distinct program models. Here we describe the models, highlight their most distinguishing features, and discuss in detail the dimensions along which they vary (see also Table 1). A short description of each of the programs on which this analysis is based is included in Appendix A.

A. MODEL I: PAID WORK EXPERIENCE PROGRAMS

Paid work experience programs (Model I) provide temporary employment to program participants through a social enterprise – a program-operated business that employs groups of individuals who would otherwise be unemployed or underemployed. These programs most closely resemble the programs developed as a part of the National Supported Work Demonstration project. Most of the support for participants is provided through on-site job supervision, and it ends with the transition out of the program and into competitive employment. Compared with other program models, these programs do not place a heavy emphasis on assessment and they usually do not provide ongoing, intensive support to address personal and family challenges. Participants may receive some assistance in finding permanent employment, but it may not be a primary emphasis of the program.

Paid work experience programs are targeted primarily at individuals who lack work experience or have characteristics that make employers reluctant to hire them. Common target populations include ex-offenders, the homeless, persons with HIV/AIDS and chemically dependent persons. When TANF recipients are served by these programs, it is often because they fall into one of the program's target groups and not because they are a TANF recipient. Paid work experience is usually provided through agency-run businesses or contracts for three to six months, although some programs provide such experience indefin-

Table 1
Characteristics of Program Models for Hard-to-Employ TANF Recipients

	Model I Paid Work Experience Programs	Model II Supported Transitional Publicly Funded Jobs Program	Model III Supported Transitional Structured Employment Programs	Model IV Supported Competitive Employment Programs
Target Population	(1) Individuals who lack work experience, and/or (1) Individuals employers are reluctant to hire	(1) Individuals who lack work experience, and/or (2) individuals who fail to find employment through work first programs	(1) Individuals with a suspected or confirmed disability, (2) individuals who fail to find employment through work first programs, and/or (3) individuals nearing a time limit	(1) Individuals with a suspected or confirmed disability, and/or (2) Individuals who fail to find employment through work first programs
Approach to Assessment	Limited	Focuses primarily on identifying personal and family challenges	Comprehensive, Vocationally focused	Comprehensive, Vocationally focused
Pre-Employment Activities	None	Life Skills and/or Job Readiness	Life Skills and/or Job Readiness Family Stabilization	Life Skills and/or Job Readiness Family Stabilization
Initial Employment Options	Group placements in agency-operated business ventures	Subsidized individual placements in non-profit organizations, government agencies and private businesses	(1) Subsidized and unsubsidized group placements in agency-operated business ventures, or (2) Unsubsidized group placements in private companies	Unsubsidized competitive employment
Support to Find Permanent Employment	Limited to modest	Modest	Extensive, Individualized	Extensive, Individualized
Post-Placement Support	None	Minimal	Individualized, Job Coaching Model	Individualized Job Coaching Model
Social Support	Minimal, provided primarily through on-site work supervision	Provided only during transitional employment phase	Ongoing, including after placement in competitive unsubsidized employment	Ongoing, including after placement in competitive unsubsidized employment

itely. Participants earn at least minimum wage and often earn more. Wages are paid through program revenues, making it possible for these programs to operate with limited public funding.

Program Example: Pioneer Human Services, Seattle WA
Model I: Paid Work Experience Program

Pioneer Human Services serves primarily ex-offenders and chemically dependent persons. In an average month, Pioneer provides paid full-time employment to 1,900 individuals; over the course of a year they provide employment to about 6,000 individuals. Program applicants with higher math and reading skills (above the 6th grade level) are hired to work at Pioneer Industries, a manufacturing work and training program that produces cargo liners for Boeing. Other work opportunities include food service and a distribution center that provides assembly, packaging and warehousing services for various customers including Hasbro and Nintendo. Pioneer Human Services is funded almost entirely (99 percent) through business revenues; these revenues are supplemented with a few small grants. Support is provided to Pioneer's employees through two primary mechanisms: (1) an employee assistance program and (2) on-site supervision. Pioneer Human Services is not equipped to provide extensive case management or job development and job placement support to its employees.

B. MODEL II: SUPPORTED TRANSITIONAL PUBLICLY FUNDED JOBS PROGRAMS

Supported transitional publicly funded jobs programs differ from Model I programs in several important ways. Instead of providing employment in a group setting with extensive on-site supervision, these programs provide temporary paid work experience to program participants in non-profit organizations, government agencies, or private sector businesses, usually through individual placements. Participants are typically hired as an employee of the sponsoring agency (often a local non-profit), and their wages are subsidized with government funds through Welfare-to-Work grants or the TANF program. In most programs, participants work part time and may be required to supplement their work hours with other skills-enhancement activities such as education or training. There is often a limit on the amount of time participants can participate in the program, usually not longer than nine months. Ongoing supervision is provided at the work site. Supervisors are employees of the work site and do not receive any additional compensation from the agency operating the publicly funded jobs program. Supervisors are expected to treat program participants just as they would any other employee.

Participants in these programs usually receive more intensive personal support than those participating in Model I programs. An assessment is generally conducted when participants enter the program and case management services are provided to help them

address personal and family challenges. Case managers work with site supervisors to resolve work-related problems and also link participants with any resources they may need to address barriers to employment. For example, they may refer a participant with mental health issues to a mental health counseling program, or they might refer a participant that appears to have a learning disability to vocational rehabilitation for further assessment and development of a more detailed employment preparation plan.

Some job-search assistance is provided to help participants find permanent employment when the publicly funded job placement ends, although this component tends to be less well-developed than in some of the other program models. Limited support is provided to participants after their placement in a publicly funded job ends. Because these programs rely on TANF or Welfare-to-Work funds to subsidize participants' wages, they usually serve only TANF recipients or non-custodial parents of TANF recipients. Because these programs pay participants wages, they tend to be among the most expensive of all of the program models.

**Program Example: The Community Jobs Initiative, (Statewide, Washington)
Model II: Supported Transitional Publicly Funded Jobs Program**

The Community Jobs Initiative has been operating statewide in Washington since 1997. It is targeted primarily to TANF recipients who have not found employment through the state's work first program and recipients who have been sanctioned, although staff have considerable flexibility to decide who to refer to the program. Participants work in non-profit organizations and government agencies for 20 hours a week for a maximum of 9 months and are paid the state minimum wage. Case managers provide support to participants while they are working in the subsidized jobs. Participants receive some assistance to find permanent employment when their placement ends and the program managers are working on strengthening this component of the program. Once program participants find employment, they continue to be eligible for many public benefits such as child care, Medicaid and Food Stamps, however, case management support ends. The average cost per participant is about \$9,000, including participant wages and associated costs (e.g., payroll taxes).

C. MODEL III: SUPPORTED TRANSITIONAL STRUCTURED EMPLOYMENT PROGRAMS

Supported transitional structured employment programs (Model III) build on efforts to help disabled individuals find unsubsidized, competitive employment. They are characterized by their emphasis on providing transitional employment opportunities in a "forgiving" work environment prior to placing participants into competitive employment and on providing intensive personal and employment support for as long as it is needed. Initial employment is initially provided in a controlled setting such as a sheltered workshop, a social enterprise, or a group placement within a private company. The transitional

placement, which is highly structured, is designed to teach participants how to function in a regular work environment. In some of these programs, wages are subsidized with public funds, while in others, wages are paid through program revenues. While they are in transitional employment, participants receive substantial support, including intensive on-site employment supervision and case management. The support they receive is usually far more intensive than that received by participants in Model I and Model II programs.

These programs often include comprehensive vocationally focused assessments, which are used to develop a plan for helping participants make the transition to competitive employment. These programs attempt to achieve a balance between easing and accommodating barriers to employment. Some programs prefer to address barriers to employment within the context of work whereas others prefer to resolve barriers before placing participants in a job (including transitional employment). Participants receive substantial support while they are in transitional employment and after they find permanent employment. This support takes many forms. Case managers attend to personal and family issues as well as logistical supports such as child care and transportation, while employment specialists or job coaches help clients plan a job search, prepare them for their new job responsibilities and resolve issues at work.

**Program Example: GoodWORKS!, Richmond County, Georgia
Model III: Supported Transitional Structured Employment Programs**

GoodWORKS! is targeted to TANF recipients who have received assistance for 30 months or longer. Program participants are recruited through home visits. Within a few days of enrolling in the program, participants begin working 20 hours a week for pay at Goodwill. Participants' wages are subsidized with Welfare-to-Work funds. During the first month of employment, supervisors on the Goodwill production floor conduct a work evaluation, assessing participants' work skills and their work habits, including their ability to get along with co-workers, attendance and punctuality. If, at the end of work evaluation, the customer is not prepared for placement into competitive employment, the customer is referred to Work Adjustment Training through the School of Work where they can gain additional classroom and hands-on work experience. The work experience component of the program is designed to help clients learn how to work in a "demanding, but forgiving" work environment.

Participants begin looking for permanent employment as soon as their instructors believe they are ready to do so. The goal is to have most participants move into a permanent job within 90-120 days. Intensive support is provided while participants are in a transitional placement and after they find a regular job. After successful operation on a pilot basis in Richmond County, the GoodWORKS! program was recently expanded statewide and has already enrolled over 1,000 TANF recipients.

The primary goal of these programs is not only to provide clients with work experience, but also to help them find permanent employment as quickly as possible (usually within three to six months). Thus, considerable assistance is provided to help clients find permanent employment. Job development is individualized, and there is heavy emphasis on making “a good match.” Once a participant finds regular employment, job coaching is provided until it is no longer needed. Many of these programs are operated by agencies that have traditionally served disabled clients, and, are often, but not always, targeted to TANF recipients with disabilities that affect their ability to work (as defined by vocational rehabilitation agencies) or who are nearing a time limit.

D. MODEL IV: SUPPORTED COMPETITIVE EMPLOYMENT PROGRAMS

Unlike the other three program models, supported competitive employment programs (Model IV) place participants directly into competitive employment, rather than initially placing them in a transitional employment situation. These programs mirror supported employment programs for the disabled and are usually operated by organizations that have long histories of helping disabled clients find employment. The primary goal of these programs is to place hard-to-employ TANF clients into paid, competitive employment as quickly as possible--sometimes immediately, usually within a few months at the most-- and then to provide significant support to facilitate the transition to work. Wages are not subsidized and transitional employment is not provided.

As with Model III programs, providers heavily emphasize a good job match, taking into account participant interests, capabilities, and limitations, along with the employer needs, job requirements, and the work environment. To support this matching process, comprehensive assessments with a strong vocational focus are conducted. They may include efforts to identify problems that might not be readily apparent, such as learning disabilities or mental health issues. Because services are designed to strike a balance between easing and accommodating obstacles to employment, case management addresses both vocational needs and personal and family needs.

Employment is usually preceded by life skills or job readiness activities, though the emphasis and manner of providing these activities varies. Like Model III, participants receive significant assistance in finding competitive employment, usually through the help of job developers and structured job analysis tools. Once employment begins, extensive support is provided by job coaches or employment specialists. Post-employment support then continues for an extended period of time, though its intensity and duration varies by program and according to individual needs. Services tend to be highly flexible and individualized in these programs. These programs are almost always targeted to TANF clients with suspected or confirmed disabilities.

Program Example: SOC Enterprises, Arlington VA
Model IV: Supported Competitive Employment Programs

SOC Enterprises is a non-profit organization that provides employment and training services for persons with disabilities. In March 1999, SOC enterprises began operating a program for TANF recipients with disabilities that affect their ability to work. Although they operate a sheltered workshop and several business and government operations where they hire groups of disabled persons, they place most of their TANF recipients directly into paid, competitive employment. Prior to placing them in employment, they may work with them in small groups or individually around life skills issues, especially problem solving and time management. Most of the clients they serve have mental health issues and learning disabilities. Psychological evaluations conducted by a neuropsychologist help them to pinpoint participants' specific disabilities and develop a plan to alleviate or accommodate them. Job development and placement is individualized and they place considerable emphasis on making a good job match. Employment specialists provide support to participants prior to and after job placement. They meet with participants regularly at the work site or at home in an attempt to anticipate any issues that may affect their ability to stay employed. The project is operated as a partnership between SOC Enterprises, the Bureau of Social Services and the Department of Rehabilitation Services.

CHAPTER III

KEY PROGRAM DIMENSIONS

While the program models presented above help to provide a broad framework for characterizing employment strategies for the hard-to-employ, they do not capture all the dimensions along which these programs may vary. In this section, we look more closely at the variation on five key program dimensions: (1) targeting, (2) assessment, (3) pre-employment activities, (4) employment strategies, and (5) employment placement assistance and ongoing support.

A. TARGETING

The programs we examined define eligibility, or targeted individuals for their programs, in a variety of ways, ranging from very narrow to relatively broad. The programs that define eligibility narrowly generally target individuals with a suspected or confirmed disability. These programs tend to be small and build on existing efforts to employ the disabled. The Integrated Resources for Independence and Self-Sufficiency (IRIS) program in Minneapolis is targeted to TANF recipients who have or are suspected of having an alcohol, drug, or mental health problem. Several programs in Virginia, including SOC Enterprises and the Southwest Virginia Employment Partnership, require that program participants be eligible for vocational rehabilitation services, which means that they must have a diagnosed disability that affects their ability to work.

Most of the programs that are narrowly targeted do not expect the welfare office or other referring agencies to screen for potential disabilities. Instead, they provide the referring agency with general guidelines to identify TANF recipients who may have an undiagnosed disability. A few programs do conduct some screening at the welfare office. For example, in some areas of Virginia, workers screen for potential learning disabilities and substance abuse issues. One of the partners of The Atlantic County TANF Mental Health pilot program in Atlantic City, New Jersey developed a mental health screening tool through which welfare office staff could identify potential candidates for their services. While the staff expected that only one-third of the clients identified would actually be eligible for

services, the screening tool proved to be much more reliable; only two of the clients referred to the program did not have any mental health issues.

Other programs use much broader targeting criteria, which are related less to disability, per se, and more to welfare policy. For instance, the Washington State Community Jobs Initiative, Lifetrack Resource's Advancement Plus program, and Philadelphia@Work are targeted to TANF recipients who have failed to find employment through their state's work first efforts or are otherwise not meeting their TANF work requirements (e.g., they are sanctioned). GoodWORKS! in Georgia is targeted to families who have received assistance for at least 30 months; its primary aim is to reach families before they reach the state's 48-month time limit. The programs that have broader targeting criteria use a variety of approaches to help TANF recipients make the transition to employment. While some build on existing efforts to serve the disabled, others, which build on earlier welfare-to-work efforts, have been designed explicitly to meet the needs of TANF recipients and build more on paid work experience programs.

B. ASSESSMENT

In general, programs for hard-to-employ TANF recipients place a much greater emphasis on assessment than do most welfare employment programs. The thrust and content of the assessments, however, vary considerably. Nearly all of these programs use an agency-designed personal and family assessment, which mirrors those used by most welfare offices and includes questions on a broad range of personal and family circumstances that might inhibit recipients' efforts to find or maintain employment. Common areas of exploration include child care, transportation and housing needs, domestic violence, alcohol and drug use, mental health issues, medical problems, previous work experience, and career aspirations. Many programs augment this assessment with a test of basic skills such as the TABE or the GATB. Some programs administer a number of specialized screens to identify potential learning disabilities as well as drug and alcohol or mental health issues; several programs do on-site drug testing.

In addition to these assessments, many programs rely heavily on vocational assessments, and in some cases, on psychological testing or work tryouts. Although these devices may identify potential barriers to employment, that is not their primary purpose. They are geared instead to providing program staff with concrete suggestions for helping clients find and maintain employment. The director of one program that relies heavily on psychological testing indicated that the information derived from this testing takes the guesswork out of developing an employment plan by helping to pinpoint the issues on which program staff need to focus. Another program that relies heavily on psychological testing indicated that the test results help staff to quickly identify and therefore quickly address hidden barriers.

Programs that rely most heavily on these more extensive psychologically and vocationally oriented assessments typically have extensive experience with disabled clients. Unlike welfare offices, which traditionally use assessments to identify people who are unable

to work, these programs use assessments to determine what special accommodations may be needed to help an individual be successful in the workplace. And they emphasize these accommodations over and above their interest in easing what barriers they can before placing an individual in a job. Acknowledging that behavioral change is a long and difficult process, these programs also place a great deal of emphasis on understanding an individual and his/her circumstances in order to make a good job match, which takes into account an individual's strengths and weaknesses. Whenever possible, program staff focus not on changing the weaknesses but on finding a work situation in which their impact, or relevance, is minimized.

C. PRE-EMPLOYMENT ACTIVITIES

The primary goal of all programs for hard-to-employ TANF recipients is to place clients in competitive employment as quickly as possible. However, every program takes a somewhat different approach to preparing clients for employment. Some programs use work to teach work and do not provide or require participants to engage in any organized pre-employment activities. Other programs require all clients to participate in some form of life-skills or job-readiness activities. Most programs offer these activities in a group setting, although some offer them on an individual basis. These pre-employment activities may last for as little as a few days or as long as a month. Even when pre-employment activities are required, clients are placed in employment quickly, usually within one or two months.

Some programs delay pre-employment or work activities until a client's personal and family situation is stabilized. For example, Morgan Memorial Goodwill Industries in Boston accepts clients who are actively participating in alcohol or drug treatment, or in mental health counseling, but it will not accept clients with alcohol, drug, or mental health issues who have not taken action to address them. GoodWORKS!, Catholic Charities' Transitional Community Jobs program in Chicago, and the Core Temp program in Chicago test all clients for drug use and refer those who test positive for treatment. Depending on the program, clients can begin participating in work activities after they have completed treatment or when they begin to show signs of progress. In the Atlantic County Mental Health pilot, stabilization of a client's mental illness is a major component of pre-employment preparation, although most clients are still expected to look for work within about four weeks.

D. INITIAL EMPLOYMENT OPTIONS

As noted, the goal of these programs is to place recipients in unsubsidized, competitive employment as quickly as possible. In some programs the first placement for clients is in competitive employment. Other programs place clients in a range of temporary, transitional employment settings before placing them in competitive employment. The most common employment approaches are described below.

Immediate Placement in Competitive Employment. In this approach, known in the disability field as supported employment, program participants are immediately placed in competitive employment. They are hired as regular employees, and though the employer receives no subsidies, they are generally eligible for tax credits. Job coaches or employment specialists provide considerable support to program participants during the job-search process and after they begin working. Job development efforts focus on identifying jobs that match the specific interests and circumstances of the program participants. Clients are not encouraged to take the first job that they identify unless it is a good match for their interests, abilities, and circumstances, and program staff expect that, for some participants, a second or third placement might be necessary to find a good match.

Transitional Group Placements in Agency-Operated Employment Ventures. A number of programs initially place TANF recipients and other hard-to-employ individuals in social enterprises that they operate. The employment opportunities provided to TANF recipients through these arrangements are as diverse as the programs that operate them. While some of these programs rely on government funds to pay clients for their work, most are paid through the revenues generated by their business ventures. Winona ORC Industries in Minnesota operates a manufacturing business that provides packaging, assembly, sewing, recycling, and foundry work to participants. IndEx, a program created and supported by the Metropolitan Tulsa Chamber of Commerce to upgrade the skills of Tulsa residents, hires about 150 participants to complete contract work for other companies. The bulk of the work is postage and shipping, light manufacturing, and assembly. Lifetrack in St. Paul, Minnesota operates a packaging plant that provides packaging and assembly services under competitively bid contracts to local businesses. The packaging plant provides employment to about 150 clients who perform duties such as operating forklifts and shrink wrap machines, sealing packages, and packing products in boxes.

Some of these organizations seek to provide regular, ongoing employment to individuals whose skills or other aspects of their backgrounds keep them from finding employment in the regular labor market. Most of the organizations, however, use their business ventures to provide participants with an opportunity to learn how to be good workers, with the expectation that they will move into competitive employment as quickly as possible. Many program operators like to have participants move into competitive employment in about 90 days, although these programs rarely set a maximum employment period, preferring to make decisions based on individual needs and circumstances. While the organizations focus partly on teaching marketable skills, there is a much greater emphasis on the teaching of appropriate workplace behaviors such as showing up every day and on time, communicating effectively with supervisors and co-workers, and balancing the demands of work and family. Several program operators describe their efforts as a way to “practice” working in a supportive environment.

Transitional Group Placements in Private Companies. Instead of operating their own business ventures, some programs negotiate with private employers to carve out specific work tasks for groups of workers. These programs also send supervisors or job coaches to work on-site, helping to create a work environment similar to that of a social

enterprise. The program, rather than the business, acts as the employer, but the participants' wages and other employment costs are paid by the business. Core Temp, a non-profit agency in Chicago, has been providing temporary work opportunities to hard-to-employ individuals since 1970. At any point in time, Core Temp is the employer of record for up to 200 individuals who are working for private sector businesses as temporary employees. The positions never become permanent, but a Core Temp employee could be employed in a regular position within the organization where they are working if a permanent position becomes available. Core Temp staff describe their system as a "fault tolerant system," which allows "mistakes to be turned into learning experiences." Core Temp staff help program participants move into permanent employment once they are deemed ready to do so by the job coaches who work with them on a daily basis.

Employment Trust, Inc. (ETI) of Portland, Maine, a for-profit organization founded in 1993 to provide supported employment services to persons with severe barriers to employment, currently employs 110 participants (about half are TANF recipients) through its Managed Work Services (MWS) program. Currently, ETI has service contracts with seven private organizations for a total of 70 positions. These organizations include an insurance company, a university, a retail grocery store, a manufacturing company, and a warehousing company. The organizations leave it to ETI to decide how the contracted work gets done. Through job-sharing arrangements, ETI currently has 110 MWS participants filling the 70 positions. In most of its employment sites, ETI tries to maintain a 1:5 staff-to-participant ratio. Over the course of the year, ETI expects to serve 210 participants in its MWS program. Program participants are encouraged to begin looking for permanent employment as soon as possible and receive considerable support during this process and after they are placed in a permanent position.

Transitional Publicly Funded Individual Placements in Nonprofit Organizations, Government Agencies, or Private Businesses. Welfare reform has created considerable interest in the development of publicly funded jobs programs. The Center for Law and Social Policy, which is actively engaged in promoting the development of these programs, has identified close to 50 programs that operate under this model, many of which are funded through the Department of Labor Welfare-to-Work grants program. While there is some variation in how these programs operate, most are structured very similarly. Program participants generally become employees of the sponsoring organization but work at a nonprofit organization or government agency. In a few programs, they can also work for private sector businesses. Their wages and any associated employment costs (e.g., unemployment insurance) are paid for with TANF or Welfare-to-Work funds.

Participants are usually required to work a minimum of 20 hours a week and may be expected to participate in other activities such as education or training for an additional 10 to 15 hours. Clients usually cannot work for pay for more than the minimum required hours. They are paid at least the minimum wage and are treated as regular part-time employees. Employment generally lasts no longer than nine months. In most instances, clients' income is treated just like income from a regular job, giving individuals access to earned income disregards and other benefits provided to working families.

E. PROMOTING AND SUPPORTING THE TRANSITION TO COMPETITIVE EMPLOYMENT

The type and extent of support provided to participants in these programs varies considerably, however, most of the programs provide much more support to participants before and after they find competitive employment than do most welfare employment programs. The support participants in these programs receive is designed to help them develop realistic employment goals, resolve personal and family challenges, ensure that logistical supports (child care and transportation) are in place, and help them find a good job match and resolve issues at the workplace.

Support to Find Permanent Employment. Some programs provide moderate or intensive support to participants while they are in a transitional employment program but expect them to find permanent employment on their own. Other programs provide intensive support during the transitional phase and continue to do so when clients begin to look for permanent employment. Still others provide intensive job-search support only to clients who have been unable to find employment on their own or with more limited placement assistance.

Programs that provide intensive job search assistance (including those that initially place clients in competitive employment) usually emphasize making a good job match. Making such a match means understanding both the interests and circumstances of a client and the requirements and characteristics of a job. In assessing the client's circumstances, programs consider the type of work clients are interested in; the wages, benefits, and work schedule they desire; any geographic or transportation constraints; the level and degree of supervision required; and any accommodations that may need to be made. In assessing the job, programs often prefer to refer clients to companies they know well and to jobs they understand. In order to determine whether a job is appropriate for an individual and vice versa, a job developer may do an inventory of a company's entry level positions and a brief analysis of (1) the tasks that are part of each job, (2) the working environment, and (3) the company's attitude toward persons facing multiple barriers. Beyond helping participants find appropriate job openings, programs that provide more intensive job-search assistance may also ask staff to accompany clients on interviews, help them plan their job search, review their applications, and discuss their employer contact experiences.

Programs that initially place program participants in transitional employment encourage participants to begin looking for permanent employment in one of two ways: (1) they require clients to look for employment after a specified period of time (e.g., 90 days in transitional employment), or (2) they evaluate clients' progress in the transitional setting to determine when they should be required to look for employment. Programs that use group placements are more likely to take the second approach, while those that use individual placements are more likely to take the first. For example, when participants in the paid work experience program at Wildcat Service Corporation near the usual 6-month limit on their work experience positions, Wildcat provides paid time away from the work site so individuals can work with Wildcat staff on resumes and job applications, and so they can begin meeting with job developers. At IRIS, the work supervisor, trainer, case manager,

vocational specialist, social worker and mental health counselor work together to determine when clients are ready to move on to unsubsidized, regular employment outside the production workshop by evaluating their job performance, attendance, family stability, progress in treatment and other factors.

Post-Placement Support. Post-placement support is a critical component of many work-based programs for the hard-to-employ. Unlike work first programs, which provide very little support to clients once they are placed in competitive employment, many programs for the hard-to-employ provide intensive support to clients after they find permanent employment through, for example, job coaches, retention staff or employment specialists. These staff help mediate client interactions with supervisors and employers, teach clients how to manage their work and their interactions with co-workers, and help them find constructive ways to cope with personal or family situations that can interfere with employment.

Contacts between clients and program staff who provide these service are generally more frequent when clients first find employment, tapering off as their situations become stabilized. In many programs, the amount of support provided to clients after they find permanent employment is flexible. However, it is common for staff to meet with clients once a week during the first few weeks of employment, then twice a month for at least the next three months. Only a few programs provide regular support after a year—often because funding ends. Many programs indicate that they will continue to provide support informally for as long as it is needed. When it is feasible, program staff meet with clients at the work site, but some clients prefer not to let their employers know that are connected to an employment program. In these situations, program staff will meet with clients at their home or talk with them on the phone.

Ongoing Social Support. Hard-to-employ TANF recipients often face multiple obstacles to maintaining employment. Child care and transportation issues are extremely common, as are personal and family challenges such as domestic violence, mental health issues, alcohol and drug issues, physical health problems, and learning disabilities. Beyond these commonly cited barriers, program operators noted that the TANF recipients they serve often have poor time-management and problem-solving skills, making it impossible for them to manage all of the work and personal demands they face. Thus, in addition to providing intensive employment-related support, some programs invest heavily in helping clients learn how to resolve or manage daily challenges. In the GoodWORKS! program, personal advisors act as a vocational and emotional “backbone,” supporting clients at every stage of the transition to stable permanent employment. Personal advisors carry a caseload of no more than 15 clients. They make frequent home visits, especially when clients fail to show up at work or are in the midst of a crisis. Case managers in the Community Jobs Initiative in Seattle serve 25 clients. They describe their job as “doing whatever needs to be done” to help clients succeed in their transitional employment placement. Case managers in the IRIS program help clients to stabilize their housing situation, and to address child care and transportation issues, while professional counselors work with them to address mental health and substance abuse issues.

CHAPTER IV

EVALUATION CONSIDERATIONS

None of the programs we examined have been rigorously evaluated. However, the placement and retention data for some of these programs suggest potentially successful interventions. For example, Morgan Memorial Goodwill Industries in Boston has a placement rate of 75 percent. Employment Trust, Inc., achieved a placement rate of 81 percent last year among its Managed Work Services participants—82 percent were still employed 90 days after placement and 59 percent were employed a year later. SOC Enterprises placed 59 percent of its clients in jobs, all of whom had diagnosed disabilities and 70 percent remained in the same job at 90 days. The IRIS program achieved a 50 percent placement rate, and 92 percent of its participants were still employed 9 months after placement.

Experimental evaluations that provide program services to some clients but not to others are complex to implement, but they provide the most reliable way of determining whether program participants do better than they would have if the program services were not provided to them. An experimental evaluation of one or more of these models would help to establish the true impact of these programs on the employment and earnings of hard-to-employ TANF recipients. This information would enable policy makers and program administrators to compare the costs and benefits of a particular program model to alternative approaches, such as work first policies or a rival work-based model. The information could also be of value to states in deciding how to best use their limited resources to meet federal work participation requirements for TANF recipients and to reduce the proportion of the caseload that hits a time limit.

The feasibility of conducting an experimental evaluation depends on three key issues: First, is the program serving a sufficiently large number of clients to enable the creation of an adequate research sample? Second, is the program clearly distinguishable from other available services (i.e., the proposed counterfactual)? Third, are the circumstances appropriate for randomly assigning some clients to participate in a specialized work-based program model and others to participate in other programs that are more readily available, such as work first? These issues are discussed in greater detail in Appendix B. While it may be possible to address these issues and design an evaluation after a program has been

implemented, it is generally easier to consider the design of the program and the evaluation of it simultaneously. In the case of programs that are costly and little is known about their effectiveness, a commitment to rigorous evaluation is especially important.

Although experimental evaluations are preferred over other possible evaluation strategies, this does not mean that other evaluation options should not be considered. In fact, when so little is known about programs such as those described in this report, other types of studies have the potential to significantly increase our knowledge of how these programs operate and what outcomes might be expected. For example, an enhanced process study that examines both program implementation and program outcomes could increase our knowledge about it takes to implement these programs, who participates in them, and who finds and keeps employment and who does not. Similarly, an explanatory case study design could be used to evaluate programs that are too small for statistical analysis. Through explanatory case studies, investigators can generalize about *theories* about how programs work instead of about how programs affect *populations*. For instance, an investigation might focus on theories that explain how certain program components achieve certain outcomes, or why individuals with certain characteristics experience different outcomes. A rigorous case study approach could yield valuable evidence on effective strategies and appropriate target populations for specific types of work-based programs.

CHAPTER V

SUMMARY OF KEY FINDINGS

This review of work-based programs for the hard-to-employ was intended to be exploratory in nature. Our goal was to determine whether there were programs in place that could be expanded to serve TANF recipients or, if the programs were already serving TANF recipients, whether they could be replicated in other communities. We were pleasantly surprised at the number of programs we identified that were already serving TANF recipients, especially programs that once focused exclusively on the disabled. Based on this assessment, we have arrived at the following conclusions.

- *A number of local communities have already started to implement programs that show promise in helping hard-to-employ TANF recipients enter the paid labor market.*

These programs we identified represent a range of approaches to addressing the diverse needs of individuals who do not find employment through traditional programs, who have difficulty staying employed, who have a suspected or confirmed disability, or who are nearing a time limit on TANF benefits. These programs fall into four categories, or models. Two of these program models, paid work experience and supported transitional publicly funded jobs programs, build on previous efforts to help disadvantaged individuals gain work experience, but not necessarily a permanent position. The expectation behind this approach is that work experience will make TANF recipients and other hard-to-employ individuals who have been unsuccessful at finding employment through traditional job-search efforts more marketable. The other two program models, supported transitional structured employment and supported competitive employment, build on efforts to help the disabled find permanent employment in integrated work settings. In addition to providing work experience, these programs concentrate on providing support throughout the transition process and, in some cases, on teaching program participants how to be good workers in a work setting that is designed to emulate reality.

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- ***Although all of these program models serve individuals that are deemed hard-to-employ, this population is diverse, and each program model is not necessarily designed to address the needs of all hard-to-employ TANF recipients.***

The strength of paid work experience and supported transitional publicly funded jobs programs is that they provide valuable work experience to individuals who have been out of the labor market for some time or have never worked. However, these programs often are not set up to address many of the more serious personal and family challenges faced by some TANF recipients. In contrast, the supported transitional structured employment programs and supported competitive employment programs generally assume that their clients face multiple challenges that make it difficult to find and keep a job. As a result, the strength of these programs is that they assess a client's interests and needs as a basis for developing an employment plan intended to ease or accommodate potential barriers to employment.

- ***All four program models are distinct from, but share the goals of, most traditional welfare employment programs.***

Although the approaches to helping hard-to-employ TANF recipients find employment differ from model to model, they all offer substantially more assistance than do most TANF employment and Welfare-to-Work programs. Depending on the program model, the additional assistance may take the form of a guaranteed job, transitional employment in a “forgiving” work environment, or intensive personal support before and after clients have found paid employment. That support typically focuses on a client's work life and personal life as well. The employment specialists, job coaches, and personal advisors who provide this support often carry very small caseloads (15 to 25 clients), making it possible to contact clients frequently at work and at home.

Even though these programs are structured differently from most work first programs, they are similar in that they aim to help participants enter the paid labor market as quickly as possible. The majority of these programs attempt to place clients in paid competitive employment within about 90 days. Placement in a temporary employment situation such as paid work experience, a publicly funded job, or transitional structured employment often occurs immediately after or within a few weeks of enrollment. Although some temporary employment placements may last as long as a year, most last about 90 days.

- ***The programs we identified could be replicated in other communities, and existing programs could be expanded if they received additional referrals from the welfare office and/or additional funding.***

In our in-depth conversations, we asked program administrators whether they could expand their program to serve more TANF clients. We also asked them whether or not they thought their programs could be replicated in other communities. Nearly every program administrator responded that their programs could serve more clients if they received

additional money or more referrals from the welfare office. The latter view was expressed primarily by administrators of programs that target TANF recipients with a suspected or confirmed disability. One of these program administrators estimated that as many as one-third of the current TANF caseload would be eligible for their services. But in welfare offices, high caseloads, a continued emphasis on getting clients into work quickly with minimal services, and a limited understanding of how to identify clients who may have undiagnosed or “hidden” disabilities all limit the number of referrals to these programs. The primary issue faced by programs that target a broader population is competition with many other providers for a shrinking pool of clients.

Most program operators felt their programs could be replicated in other communities with minimal difficulty because the infrastructure is, to some extent, already in place. For instance, community rehabilitation providers noted that there are organizations similar to theirs all over the country. It would be more complicated to replicate paid work experience and publicly funded jobs programs because they require creating either a business through which paid work experience can be provided or a local infrastructure that can manage the process of identifying and monitoring numerous work sites and paying wages to program participants. In Washington State, community organizations or collaboratives perform these functions under contract with the state, while in Philadelphia, a new nonprofit organization was created to manage these efforts.

- ***While substantially more costly than job search programs, these programs are likely to be affordable within the current TANF environment, for at least a portion of the TANF caseload.***

In an exploratory study such as this, it is impossible to obtain detailed information on program costs. Clearly, these are expensive programs, ranging in cost from \$3,500 to as much as \$10,000 per person, not counting referrals to already existing programs (e.g., substance abuse and mental health treatment). While these costs are substantially higher than those for most job-search and placement programs, for most states they are probably affordable for at least a portion of the TANF caseload. However, if TANF caseloads begin to increase, these programs may end up competing for a limited pool of resources.

- ***Limited information is available on the outcomes and effectiveness of work-based programs for the hard-to-employ. In order to increase our knowledge about how to best help these families succeed in the paid labor market, program administrators should consider all possible options for evaluating their programs***

None of the programs we examined have been rigorously evaluated. However, the placement and retention data for some of these programs suggest successful interventions. For example, Morgan Memorial Goodwill Industries in Boston has a placement rate of 75 percent. Employment Trust, Inc., achieved a placement rate of 81 percent last year among its managed Work Services participants—82 percent were still employed 90 days after

placement and 59 percent were employed a year later. SOC Enterprises placed 59 percent of its clients in jobs, all of whom had diagnosed disabilities and 70 percent remained in the same job at 90 days. The IRIS program achieved a 50 percent placement rate, and 92 percent of its participants were still employed 9 months after placement.

An experimental evaluation of one or more of these models would help to establish the true impact of these programs on the employment and earnings of hard-to-employ TANF recipients. This information would enable policy makers and program administrators to compare the costs and benefits of a particular program model to alternative approaches, such as work first policies or a rival work-based model. The information could also be of value to states in deciding how to best use their limited resources to meet federal work participation requirements for TANF recipients and to reduce the proportion of the caseload that hits a time limit.

Although experimental evaluations are preferred over other possible evaluation strategies, this does not mean that other evaluation options should not be considered. In fact, when so little is known about programs such as those described in this report, other types of studies have the potential to significantly increase our knowledge of how these programs operate and what outcomes might be expected.

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APPENDIX A

SHORT PROGRAM DESCRIPTIONS

Model I: Paid Work Experience Programs

Pioneer Human Services (PHS), Seattle WA is a non-profit agency that operates a paid work experience program for ex-offenders and persons with past substance abuse problems. Founded in 1962, PHS now serves over 6,000 client customers a year and over 1,900 persons in an average month in its employment/training, treatment, community corrections and residential facilities. Clients with higher math and reading skills work 28-36 hours per week for Pioneer in its factory manufacturing cargo liners for a contract with Boeing, spending an additional 4-12 hours per week in manufacturing training classes. Once clients have completed the training curriculum (usually after a year), Pioneer assists them in the search for permanent employment, but most clients do not continue with manufacturing work after leaving the program. Pioneer also provides employment opportunities in food service and warehousing and distribution to persons who do not meet the math and reading requirements for the contract with Boeing. Pioneer provides limited support to help program participants find employment and does not provide supportive services to clients once they have left the program.

Wildcat Services Corporation, New York NY was established as a private, non-profit organization in 1972 when it ran a pilot employment program for ex-addicts. The program was designed by the Vera Institute for Justice and became the model for the National Supported Work Demonstration. Wildcat's approach to transitional employment is to put participants in actual work environments and provide them with support, mainly in the form of close supervision at the work site. Wildcat operates three general paid work experience options which they refer to as supported work, transitional employment, and temporary employment. These programs serve a number of different populations including general assistance and TANF recipients and ex-offenders. These program options vary in duration and in the extent of classroom training (if any) associated with the work experience. Wildcat's supported work program provides participants with full-time employment in either clerical or non-clerical positions. Transitional employment programs combine classroom instruction and related work experience. Temporary employment is provided through staffing contracts with two city agencies. While their training and work experiences may differ, all of Wildcat's work experience participants receive an assessment, work supervision

in paid positions employed by Wildcat, and job placement assistance. Minimal follow-up services are provided to participants after they find regular paid employment.

Model II: Supported Transitional Publicly Funded Jobs Programs

The *Community Jobs Initiative, Washington State* has been operating statewide since 1997. It is targeted primarily to TANF recipients who have not found employment through the state's work first program and clients who have been sanctioned for non-participation, although staff have considerable flexibility to decide who to refer to the program. Participants work in non-profit organizations and government agencies for 20 hours a week for a maximum of 9 months and are paid the state minimum wage. Case managers provide support to participants while they are working in the subsidized jobs. Participants receive some assistance to find permanent employment when their placement ends and the program managers are working on strengthening this component of the program. Once program participants find employment, they continue to be eligible for many public benefits such as child care, Medicaid and Food Stamps, however, case management support ends.

The *Community Service Employment Program, Vermont*, which began in 1995 as a part of the state's welfare reform efforts, is a statewide publicly funded jobs initiative. The program provides temporary jobs to TANF recipients who have not found unsubsidized employment through a job search and face the state's work requirement. After undergoing a basic assessment, participants are placed in closely supervised, temporary positions at public and non-profit agencies for a maximum of 10 months. These transitional jobs are usually part-time, and some or all of participants' TANF grants are diverted to compensate them for their work. Case managers monitor participants' status and offer support while participants are in the program. Case managers offer some assistance in finding permanent jobs, and if participants do not find a job by the end of their placement, which is uncommon, they can be placed in other temporary positions. Case managers follow up with participants for 90 days after they start permanent employment; staff currently are reassessing this follow-up period and may lengthen it. Because TANF recipients have either left the TANF program or found employment on their own, The Community Service Employment program has enrolled very few participants since its inception.

Philadelphia-at-Work, Philadelphia PA, a transitional publicly funded jobs program that combines work and education has been operating since 1998. Program services are targeted to Welfare-to-Work eligible clients who are not work-ready because they lack work experience or are otherwise hard-to-serve. Participants work for 25 hours per week for up to six-months in jobs at city government and non-profit agencies and are paid the state minimum wage. They receive intensive on-site supervision and support while working as well as 10 hours of wrap-around training each week to enhance job-related skills. A unique feature of Philadelphia-at-Work is its use of "work partners" who are regular employees at the work site. Work partners agree to provide additional support to the program participants while they are at the work site. Work partners or the employers receive \$50 per month to cover the additional time they spend working with Philadelphia-at-Work participants. When temporary positions end, participants are placed in permanent employment. Program staff offer case management and job retention services for up to 12 months after participants find competitive jobs.

Transitional Community Jobs, Chicago IL. Catholic Charities in Chicago has provided transitional work support services to low income households through the Transitional Community Jobs (TCJ) since July 1998. The program provides job readiness workshops followed by temporary work experience positions in public and not for profit organizations. These organizations contract with Catholic Charities to fill vacant positions. Program participants work 20 hours and are paid minimum wage. At the end of the transitional program, Catholic Charities helps place participants in ongoing jobs. Post-employment services are available for up to a year, although the average length of time most participants use the services is 8-9 months.

WorkMatters, Baltimore MD is a subsidized employment program that offers education, support services and work skills to the hardest to employ TANF recipients. The program provides TANF recipients with access to a wide range of employment and training services including: pre-employment job readiness and educational services, work-based internships, skills training, support services, job search tools, career counseling, placement assistance and post employment career training. WorkMatters clients can work up to 25 hours per week, earning \$6.50 per hour. They also receive concurrent training (up to 15 hours a week) in their area of interest. Program participants are eligible to receive post employment services for up to one year after enrolling in the program.

Model III: Supported Transitional Structured Employment Programs

AccessAbility, Minneapolis MN. Since October 1997, AccessAbility, Inc. has operated Work In Progress (WIP), a program for TANF recipients. WIP receives referrals of TANF clients with serious barriers, mostly (95 percent) Hmong and Somali refugees. Many of WIP's clients have a disability. Participants are put to work immediately in AccessAbility's businesses, performing light manufacturing, assembly, and packaging work, rotating from job to job to get a variety of experience. Participants work at least 30 hours per week, for the state minimum wage. WIP's goal is for clients to find competitive employment after three months. WIP provides post-employment support as needed, or refers clients back to the client's local TANF office for child care and transportation assistance.

The Apprentice Program, Oakland CA is operated by Goodwill Industries of the Greater East Bay. The program is targeted to unemployed or underemployed residents of the area. The program has three main components: life skills training, transitional employment and job search and retention services. The life skills component of the program is designed to build clients' self-esteem and prepare them for the changes that employment will have on their lives. Participants are placed in transitional employment almost immediately. Participants are placed in one of Goodwill's 25 businesses in the area and are paid minimum wage. Transitional employment typically lasts five months. Participants are expected to behave as they would in regular employment and their supervisors have been trained to help them work on the soft skills they need to succeed in the workplace. Program participants receive some assistance to find employment and receive post-employment services for a minimum of three months and up to a year, if needed.

Core Temp, Chicago IL is one of several employment programs operated by Suburban Job Link. The program is targeted to TANF recipients who have poor employment histories or have received benefits for 30 months or longer. The Core Temp program starts with a one-week job readiness and assessment. Clients are then placed in group temporary employment positions that Core Temp fills for local businesses. Over a three to four month period, a job coach works on site with clients, gradually moving them into more challenging positions. Evaluations based on attendance, ability to get along with co-workers, supervisors and other office staff, ability to learn new tasks and reliability are used to determine when a participant is ready to look for permanent employment. It is expected that clients will move into permanent employment and work 170 hours per month after they have participated in transitional employment for three to four months. Clients receive extensive support to find employment. The personal support participants receive is significantly reduced once a client moves into permanent employment, usually to once a month.

Employment Plus (EP), Winona MN has been operated by Winona ORC since 1997. The program offers three options to TANF recipients: (1) a regular EP program for predominantly short-term welfare recipients; (2) an enhanced EP program (EPE) that assists

mostly long-term welfare recipients who face substantial challenges to employment; and (3) a wrap-around program designed to resolve serious personal and family barriers affecting the participant's ability to seek employment prior to the job search process. Clients who have not found employment within 8 weeks or who did not attend required workshops are among those referred to the EPE program. Clients in the EPE are given a comprehensive assessment, including a psychological evaluation and testing for chemical dependency. The goal of the EP and EPE programs is to place all participants in competitive employment, although participants follow different paths to achieve that goal. While participants in the EP program enter competitive employment almost immediately, many participants in the EPE program enter employment at Winona ORC's social enterprise or in supported community jobs. Participants may stay in the jobs up to a year. Job developers work with participants to find jobs that match the participants' skills and interests. Job coaches accompany the participant to the job, if the employer agrees. Job coaches stay at the job from a few days to several weeks, depending on the individual's needs. Follow-up is usually provided for about three months, although they will continue to offer assistance after than on an as-needed basis.

GoodWORKS!, Richmond County GA is targeted to TANF recipients who have been receiving TANF for at least 30 months. (Georgia has a 48-month time limit.) Program participants are recruited through home visits. Within a few days of enrolling in the program, participants begin working 20 hours a week for pay at Goodwill. Participants are employees of the Richmond/Burke County Job Training Administration and their wages are paid through Welfare-to-Work funds. During the first month of employment, supervisors conduct a work evaluation, assessing participants' work skills and their work habits, including their ability to get along with co-workers, attendance and punctuality. If, at the end of work evaluation, the customer is not prepared for placement into competitive employment, the customer is referred to Work Adjustment Training through the School of Work where they can gain additional classroom and hands-on work experience. Participants begin looking for permanent employment as soon as their instructors believe they are ready to do so. Their goal is to have most participants move into a permanent job within 90 - 120 days. A personal advisor provides ongoing support to participants to help them resolve personal and family issues. Job developers and job coaches help participants to identify and apply for available positions. Job coaches also are available to provide support at the work site, if it is needed. Personal advisors continue to provide support for personal and family challenges after participants find permanent employment. This program has now been expanded statewide.

IndEx, Tulsa OK is one of the programs the Tulsa Chamber of Commerce developed to support businesses by upgrading the skills of Tulsa residents. The program is open to any TANF recipients as well as other unemployed and underemployed residents of the community. The program provides basic employability skills, training, and job placement and retention services. IndEx's transitional employment program is an open-ended and open-exit program and is designed to last up to 18 months. Participants are expected to complete the training (or sheltered workshop) phase in six months, though most complete it in 3 to 4 months. Its core services are skills training (mostly in manufacturing), education

enhancement, and job placement and retention. It prefers to have other organizations handle case management and other supportive services and, consequently, its staff work closely with other organizations. Program participants receive a half day of academic instruction and spend a half day on the IndEx production floor working on contracted jobs. IndEx tries to ensure that participants are not placed in regular job until they are ready. If the participant is considered ready for employment, the job developer will look for openings among IndEx's network of employers and the counselor will instruct participants on how to conduct a job search. Participants who are hired are kept on the IndEx payroll for the first 30 days, after which the employer can decide whether to hire the participant. IndEx provides a year of follow up service. The first six months is intensive and includes visits by the retention staff at the participant's place of work. Should any problems arise during the retention period, the job retention specialist will increase the frequency of their contacts.

Integrated Resources for Independence and Self-Sufficiency (IRIS) Program, Minneapolis MN is an effort to serve TANF recipients with disabilities. The program is operated by the Vocational Services Program which is a nationally-accredited rehabilitation program providing employment services for adults with a severe and persistent mental illness. TANF recipients experiencing mental health or chemical dependency issues are eligible for the program. The IRIS program has three main components. First, vocational services include job readiness training, employment opportunities in a production workshop, assistance finding permanent employment and retention assistance. Second, case management services include life skills training, efforts to promote family stabilization, and coordination of services with other county agencies. Third, clinical services include psychological testing and evaluation, individual and group therapy, and medication evaluation and management. IRIS is unique because case management, vocational counseling and employment support, and mental health staff are all co-located and work together to develop a comprehensive employment and family stabilization plan.

Kandu Industries, Holland MI is the Work First contractor for Ottawa County and began operating its Work First program in October 1994. The program primarily offers services to individuals receiving TANF cash and non-cash benefits from the county welfare office, the Family Independence Agency (FIA). The Work First program has three components. First, clients are assessed and engage in job readiness activities during a two to four week period. Second, clients who are work ready are placed in competitive employment. Third, clients who need more assistance are placed in supported work at Kandu's manufacturing plant for about six weeks and then are placed in competitive employment. Clients receive extensive supervision at Kandu's manufacturing plant and receive ongoing assistance to find competitive, permanent employment. Kandu Industries provides follow-up services to clients only if they remain on TANF.

Lifetrack Resources, St. Paul MN, previously known as St. Paul Rehabilitation Center is a non-profit agency that has been in existence for 53 years and was founded as part of a movement to assist individuals with polio. At this time about 98 percent of the agency's clients are TANF recipients. Advancement Plus (AP), a program targeted to TANF recipients who do not find employment through work first has been in existence for 2 years,

and was developed with Welfare-to-Work funding from the Department of Labor (DOL). Once all assessments have been completed, participants attend a 20-hour, one-week job search workshop. This workshop includes information on how to balance work and family needs, budgeting etc. After completion of the workshop, clients begin an independent, self-paced job search. Lifetrack owns a packaging plant that provides temporary transitional employment for AP program participants as well as other Lifetrack clientele. AP clients typically work 35-hours a week with 5 hours a week devoted to soft skills training. They are paid \$6.00 per hour (through DOL funding) and their placements last 6 months, although they can be renewed. Currently employment placements last about 9 months. Lifetrack provides post employment services and is able to work with participants for up to 2 years after they have obtained permanent employment.

Managed Work Services, Portland ME, operated by Employment Trust, Inc. (ETI), a for-profit organization that was founded in 1993 to provide supported employment services to persons with severe barriers to employment, uses supported work principles to prepare persons with significant employment barriers for work. About half of the participants are multi-problem, welfare-to-work TANF recipients, of whom approximately half have some type of disability. The program's goal is to build up a person's capacity for work by gradually increasing the person's exposure to work. It provides participants with immediate paid part-time and full-time employment in the private sector where they receive intensive on-site support from ETI staff. The participants are hired by ETI and work in ETI's service contract jobs at private businesses. Getting a permanent job is strongly stressed by ETI staff, especially for persons on TANF. From the first day on, TANF participants are told they need to find work. TANF participants begin their job search after their first 30 days and, after the third month, are expected to aggressively search for employment. ETI job developers provide participants with job leads and prepare them for their job interviews. They refer participants only to companies they know well and for jobs they understand. After the participants find permanent employment, the ETI job developers visit them once a week on site for the first several weeks. They will provide job coaching support to participants who are having problems with the job skill set. For TANF participants, the job developers usually provide 20 hours of follow-up services during the first month and, on average, provide three months of follow-up services.

Morgan Memorial Goodwill Industries, Boston MA has been offering several programs for welfare recipients for the last four years. Two are "transitional" employment programs. One is Work Pathways, "the basic model", and the other is Bridges to Independence, a program for persons with disabilities. In addition, Morgan Memorial also has an internship program with TJX Companies (TJ Maxx, Marshalls and A.J. Wright), First Step Internship. All of the programs are modeled after Goodwill's transitional employment services for the disabled. Participants in Pathways, Bridges, and First Step receive both training and job readiness instruction. The sequencing of the training and job readiness components varies by program. The transitional employment programs (Pathways and Bridges) provide training and job readiness instruction concurrently, while the internship program has participants complete the job readiness component before entering their internship. Participants in the transitional employment program spend four hours a day

training at one of Morgan Memorial's lines of business (retail occupations at the store and food services or facility management) and three hours in the job readiness component. Participants in both programs may stay in the training component for as long as three months. Those in the internship program complete a three-week job readiness class and then intern at TJX and Goodwill stores for up to eight weeks. Morgan Memorial provides participants with one year follow-up services. The job coaches follow Goodwill's standard follow-up service model, which they tailor to meet the needs of the client. Morgan Memorial provides its participants with training in a sheltered work environment with substantial support before placing them in a competitive job. All of the training programs provide paid employment.

Operation ABLE (Advancing Beyond Limitations Through Employment), Chicago IL, is a new initiative of the Chicago Easter Seals Society that is targeted to TANF recipients with disabilities. The aim of the Operation ABLE is to identify barriers to employment while assisting the job seeker in acquiring employment in the community. Clients begin spending three unpaid hours each morning doing Job Readiness Training. They spend additional time working in Easter Seal's sheltered workshop. The sheltered workshop provides an opportunity for the job coach to observe the clients' work performance. While working in the transitional placement, program participants are paid \$5.15 an hour. The temporary employment phase of the program does not have a time limit, although the average length of time spent in this experience is about one month. The job developer assists the client with locating permanent employment, and with the application process. Once clients have located permanent employment, the job coach makes phone contact with them once every two weeks for the first 3 months of employment. The next three months of employment, clients are contacted once a month. The focus of this contact is to identify and rectify potential on the job problems.

Public Assistance to Self Sufficiency (PASS), Eagan MN is operated by Owobopte, a community rehabilitation organization. Through a contract with the Dakota County Department of Health and Human Services (DHHS), the program provides case management, work adjustment training, and job placement services to the hardest-to-serve TANF recipients. The PASS Program has three main components: orientation and assessment; paid work experience; and job placement and retention. Based on their needs and interests, program participants are placed in work adjustment training (paid work experience) at Owobopte's packaging facility or in a community-based enclave (group employment). The work site supervisor conducts weekly assessments of all participants. The case manager is the primary contact person during all phases of the program. There is no time limit for participating in the program. However, clients usually stay in the program for 10 weeks.

The ***Work Activities Center, Miami FL*** is operated by Goodwill Industries of Southern Florida. The program assists adults with developmental and physical disabilities in Dade County and part of Monroe County. Services include assessment, vocational training, recreational activities, adult basic education, sheltered employment, supported employment, and placement in competitive jobs. Goodwill's social enterprises are an apparel factory and

donation centers/stores. When most clients come to the agency, staff in the comprehensive evaluation program assesses them and the assessment guides their vocational rehabilitation process. When clients enter the Work Activities Center (WAC) program, they receive in-depth assessments and pre-employment services and are then placed, when appropriate, in increasingly higher-skilled jobs. After clients are referred to the program, they are assessed by several staff members and begin working in supervised, low-skilled, WAC positions. During this time, clients also participate in recreational activities and receive adult basic education. After three months in the program, clients who are functioning at a higher level can be placed in sheltered employment or in supported, competitive employment. The WAC program receives most of its referrals through a contract with the Department of Children and Family and a few referrals through a contract with the school system. Most clients stay in WAC positions for at least a year. Many do not have the skills to advance in employment, and they remain in WAC positions permanently. Some clients who have more advanced skills but have behavioral problems work in sheltered employment. Only a few clients are ready to be placed in competitive employment, and a Goodwill job coach usually accompanies those clients when they start working.

Model IV: Supported Competitive Employment Programs

The Association for the Habilitation and Employment of the Developmentally Disabled (AHEDD) , Pennsylvania and Delaware is a private, non-profit organization that specializes in the provision of employment and support services for individuals with disabilities. The program does not serve TANF recipients. AHEDD staff work closely with the individual and the sponsoring agency to develop and implement an appropriate Plan of Service that outlines the major activities that should occur in the delivery of services along with time frames and individuals responsible for carrying out the activities. AHEDD runs a very flexible and individualized program. AHEDD staff members assist program participants with developing job search skills and interviewing skills and then help them to find employment that is consistent with their interests and needs. Participants are placed in unsubsidized competitive jobs. Because AHEDD staff members are trained in all aspects of client service they are all able to provide whatever services a client needs. AHEDD provides follow-up services for up to one year following the initial enrollment in the program. The amount of follow-up and support services provided to program participants varies greatly according to their needs. However, individuals are contacted at least twice a month (one contact must be face to face), to ensure that all needs are being met..

The *Atlantic County TANF-Mental Health Pilot Program, Atlantic City NJ* is a supported, competitive employment program that has been operating at the Atlantic County Department of Family and Community Development since November 1999. It is targeted to TANF recipients who suffer from mental illness but are able to work and have no active substance abuse problems. The case manager from a partner agency, Jewish Family Services, assesses clients to determine the nature and severity of their mental illness and helps them access psychological counseling. Subsequently, clients are referred to another partner agency, HR Advantage, for pre-employment preparation. HR Advantage employment specialists encourage participants to find permanent employment themselves but offer some assistance with job searches. HR Advantage typically follows up with participants for three months after they find permanent employment, and Jewish Family Services monitors them for a minimum of 18 months and until they take full responsibility for their mental health treatment.

Challenge Industries, Ithaca NY offers two supported competitive employment programs, Employment Retention and Advancement (ERA) and Successful Training for Education Placement Success (STEPS). ERA is targeted towards TANF clients with serious or chronic barriers, such as drug abuse issues or severe mental illness. STEPS clients are placed in a six-week pre-employment program addressing confidence, logistical barriers (day care, transportation, clothes), and job-hunting skills. ERA offers a more individualized pre-employment approach. Following pre-employment, Challenge Industries helps employment-ready clients find part-time jobs, usually about 20 hours per week. STEPS supports clients with child care assistance and by advocating with the Tompkins County Department of Social Services to allow clients to receive the education and training they need. ERA has the funds to provide any kind of support necessary, and makes referrals when it cannot provide the support itself.

Colorado Works., Colorado Springs CO Goodwill Industries and the Career Development Center (CDC) are contracted by the El Paso County Department of Health and Human Services (DHHS) to provide intensive case management and placement services to the hardest-to-serve TANF recipients in the county. The El Paso County DHHS determines eligibility of the TANF recipient and assesses the needs and barriers of the individual prior to referring the client to the Colorado Works program. CDC provides clients with skills and training needed to secure competitive employment. The Career Development Center (CDC) links qualified job seekers to the workforce needs of businesses in the community. Colorado Works provides vocational counseling, training and job-readiness workshops and job placement services to clients on TANF. After the assessment period, an employment plan is developed to meet the needs of the client. The plan may involve workshop training as well as work experience prior to placement in a permanent position. After completion of the pre-employment training, the program uses their Colorado Works Job Placement Services to assist in the job search process. Once placed in a permanent position, the program offers mediation services, case management services, and job-coaching for a limited amount of time. Clients are offered these services for three months post-employment. Clients who cannot be placed in competitive employment due to a learning or physical disability are referred to the Work Adjustment Program that offers on-site job coaching and more extensive case management.

The **Hanover County Department of Social Services (HCDSS), Ashland VA** (is responsible for administering the Virginia Independence Program (VIP), the state's TANF program. Recently, HCDSS contracted with the county's Community Service Board to provide the job coaching services to TANF clients who have not been successful finding employment after 30 to 60 days. HCDSS's job coaching program is designed to provide additional support while the participant is looking for work and to continue the support after the customer has been hired. The program provides opportunities for career exploration for participants who are uncertain about their job choice. Most participants conduct their own job search with support from the job coach. A key component to the job coach program is post-employment support. At a minimum, the job coach must contact the customer two times a month for the first nine months. If necessary, more frequent contacts will be made.

SOC Enterprises, Arlington VA is a non-profit organization that provides employment and training for persons with disabilities. Since 1999, SOC has operated its SOC-JOBS program, a supported transitional employment program for TANF recipients with disabilities. The program is operated as a partnership with the Department of Rehabilitation Services and the Arlington and Alexandria Departments of Social Services. SOC-JOBS obtains comprehensive assessment information on participants and then helps participants prepare for employment through one-on-one counseling and referrals to partner agencies to learn job search skills and to work on personal issues. The program provides individualized support to help participants find a job, and then provides job coaching and support to aid job retention.

The *Southwest Virginia Employment Partnership, Richmond VA*, operated by Career Support Systems, Inc. (CSS), one of 80 Supported Employment organizations in Virginia, provides employment preparation, placement and retention services to TANF recipients with disabilities. CSS offers services in seven different areas: (1) referral for ancillary services; (2) social security benefit assistance; (3) career skills training; (4) structured job search; (5) job coaching; (6) job placement and (7) life skills training. CSS staff work closely with staff from the welfare office and the Department of Rehabilitation Services (DRS) to assess a client's needs and develop an employment plan for them. CSS clients are placed in regular jobs where they receive follow-along supportive services or job coaching services from the CSS counselors. Job coaches find jobs for clients and provide them with on-site instruction. These services are reserved for clients who do not find employment through a structured job search process.

APPENDIX B

EXPERIMENTAL EVALUATION CONSIDERATIONS

When assessing the feasibility of conducting a random assignment evaluation, it is important to consider three issues. First, is the program serving a sufficiently large number of clients to enable the creation of an adequate research sample? Second, is the program clearly distinguishable from the proposed counterfactual? Third, are the circumstances appropriate for introducing random assignment into the program? If any of these conditions are lacking, it may not be possible to devise an experiment to evaluate the impacts of the program on client outcomes.

Issues of Scale

To evaluate the impacts of a program on client outcomes, the program must be targeted to a population that is large enough to generate a treatment and control group and serve enough clients to generate a sample that is large enough to detect the likely impact of participating in the program. Therefore, it is important to consider both the target population and program size when assessing the feasibility of evaluating the program.

Population Size. Some programs target their services to any TANF recipient who has not found employment through a work first program. Other programs target their services to recipients who are nearing a time limit or have been on welfare for a specified period of time. Programs that target their services more narrowly require recipients to have a suspected or confirmed disability. Obviously, broader targeting makes it easier to ensure that the targeted population is large enough to create a treatment and control group. However, in large urban areas, even narrow targeting could potentially produce a population large enough to make an evaluation feasible.

Program Size. Table B-1 indicates, by program size, the *minimum detectable effect* (MDE) of a random assignment evaluation for different sorts of outcome variables. The MDEs in this table are the smallest effects that, if true, have an 80 percent chance of producing an

impact estimate that is statistically significant at the 0.10 level.¹ These MDEs assume that the sample of treatment and control individuals in the experiment is *balanced*--that is, that an equal number of individuals is assigned randomly to both the treatment (program) and the control (counterfactual) group.²

Assume, for example, that employment rates for clients are 40 percent in the absence of a work-based program but 60 percent in the presence of the program.³ The true impact of the program on employment is therefore 20 percentage points. According to the estimates in Table B-1, this impact would be less than the MDE of an experiment with only 50 individuals in the treatment group (24.4 percentage points) but would exceed the MDE of an experiment with 100 individuals in the treatment group (17.3 percentage points). Doubling the size of the research sample, in this example, lowers the MDE of the experiment by nearly one-third (29 percent). If the impact of the program were smaller--perhaps because of low program participation rates--then the minimum size of the treatment group would need to be larger, perhaps as large as 400 individuals, if the expected employment impact were only 10 percentage points. The use of multivariate statistical methods can help to lower the MDEs for an experiment in which the sample size is fixed. If, for example, impacts were estimated using a linear regression to account for observed differences between treatment and control cases at the time of random assignment, and if this regression had an R-squared of 0.20, then the MDEs would be about 11 percent lower than if regression methods were not used. To achieve this degree of predictive power in the impact regressions, it is necessary to collect detailed administrative or survey data on the characteristics of the research sample at or before the point of random assignment.

¹The level of 80 percent is the *statistical power* of the experiment in testing a hypothesis equal to the minimum detectable effect. The level of statistical significance, 0.05, assumes a one-tailed test, which is equivalent to a two-tailed test at the 0.10 level of significance. See Bloom (1995) for further details of these calculations.

²An *unbalanced research sample* is not split evenly between treatment and control observations but has substantially more of one group than another. For a research sample of a fixed size, the less balanced the sample, the larger the minimum detectable effect of the experiment. For example, an experiment with a 2:1 ratio of treatments to controls would have 6 percent higher MDEs than an experiment with a 1:1 ratio of treatments to controls.

³Danziger et al. (2000) designate 40 percent as the employment probability for the quarter of welfare recipients with between four and six barriers to employment. Of the ETE programs reviewed by Pavetti and Strong (2001), reported placements rates ranged between 50 and 81 percent for program participants, so 60 percent is a reasonable assumption for an employment probability among members of the treatment group, assuming that a high proportion of the treatment group actually participates in an ETE program.

TABLE B-1

Minimum Detectable Effects, by Program Size
(assumes a balanced design, 80 percent power, and one-tailed significance tests
at the 0.05 level)

Size of Treatment Group	MDE for Continuous Outcome (Standard Deviation)	MDE for Binary Outcome (Percentage Points), Where Control Group Mean =				
		0.10	0.20	0.30	0.40	0.50
25	0.704	21.1	28.2	32.3	34.5	35.2
50	0.498	14.9	19.9	22.8	24.4	24.9
100	0.352	10.6	14.1	16.1	17.3	17.6
200	0.249	7.5	10.0	11.4	12.2	12.5
400	0.176	5.3	7.0	8.1	8.6	8.8
800	0.125	3.7	5.0	5.7	6.1	6.2

When programs are small, adequate sample sizes can be created by pooling samples from different sites operating similar programs. Pooling sites in a single state is a common and accepted practice in welfare evaluations. When the sites are in multiple states, however, it is likely that the TANF programs will differ across sites even if the program models being implemented are the same, so it would be difficult to interpret what program components are responsible for an observed impact. To avoid this problem, one could seek to identify multiple states in which there are nearly identical programs, but this may be difficult to do in practice.

Contrast Between Program and Counterfactual Policies

The greater the contrast between treatment policies and control policies, the greater likelihood of finding an impact of the intervention on client outcomes. Depending on the program model being evaluated, the corresponding counterfactual policies should include features likely to generate treatment-control differences across a variety of outcomes. The sharper the contrast is between the treatment and counterfactual, the more likely one is to find impacts and the larger they are likely to be.

The most obvious set of counterfactual policies is the standard work first policies in place in many states. The use of a standard counterfactual, such as these policies, in multiple sites would make it more feasible to compare the impacts of different program models against a common standard. To the extent that the target population has not found work under work first policies, however, state and local welfare officials may be reluctant to offer no new services to members of the control group, especially if they are nearing a time limit. In some cases, the counterfactual will not be work first programs, but will instead be a Welfare-to-Work program that is also targeted to hard-to-employ TANF recipients. A common Welfare-to-Work program model includes the provision of post-employment case management services in addition to the job search assistance that most work first programs provide.

Each of the four program models offers a clear contrast with either of the counterfactuals described above. Models I, II and III offer participants temporary paid employment. Models III and IV provide intensive support to participants while they are looking for employment and after they have found employment. The extent to which these program elements are implemented as they are intended will determine how much difference actually exists between the programs and the counterfactual. In places where work first programs provide more extensive job search assistance, the contrast between the program and the counterfactual may also be less than it is in places where minimal job search assistance is provided.

Options for Introducing Random Assignment

Even if a program is serving a large number of clients, and it is possible to construct a set of contrasting counterfactual policies to be applied to the control group, an experimental evaluation may still be infeasible because there are no candidates for the control group. A natural source of a control group arises out of *excess demand* or *latent demand* for a program, that is, when the number of eligible clients willing to be served by the program exceeds program capacity.⁴ But in the current welfare environment, where TANF caseloads are low, none of the programs we examined appeared to be faced with an excess or latent demand for services from TANF recipients.

In the absence of excess or latent demand, it may be possible to create a control group by expanding eligibility for a program. For example, a program model applied to TANF cases that have accumulated 30 months of assistance could be expanded to cases that have accumulated 18 months of assistance. In this example, for cases with between 18 and 30 months of time on TANF, treatment cases would receive specialized services, while control cases would receive standard work first services.

⁴Excess demand is immediate and tangible, as indicated by waiting lists of eligible clients. Latent demand is potential insofar as there is insufficient capacity to serve all of the eligible clients who would request services if they knew about the program.

As an alternative, a work-based program model could be applied to a random subset of sanctioned TANF cases. Treatment cases would be able to have their sanctions lifted if they participated in a specialized program, while control cases would be able to have their sanctions lifted, as under current policy, if they participate in a work first program. A third alternative would be to offer specialized work-based services to a random subset of TANF cases currently exempt from work requirements (perhaps for reasons related to a suspected or confirmed disability). In this example, treatment cases would have the option of receiving specialized services on a voluntary basis, while control cases would, at most, have access to work first programs on a voluntary basis. In all three of these examples, the expansion of a specialized program to previously unserved populations creates the opportunity to identify control group for an experiment.

Another strategy for creating a control group is to identify opportunities for comparing alternative treatments. One potential option for doing this would be to identify program administrators who may be willing to consider alternative strategies for assigning clients to the various program options that already exist in their communities. Especially in the large cities, there are usually multiple Welfare-to-Work providers who target their services to hard-to-employ TANF recipients. While the process for referring clients to these programs varies from place to place, in many places it occurs as much by happenstance as by anything else. If the current system could be replaced by a formal random assignment process, it would be possible to create a control group while not denying any clients services.

Another alternative would be to offer a program identical to one of the specialized work-based models but with a particular component omitted. For example, an experiment could test the impact of transitional publicly funded jobs programs on clients by offering individual placements only to members of a treatment group while providing pre-employment activities and social supports to both treatment and control members. Such an experiment would be likely to generate detectable impacts on employment and earnings during the transitional employment phase of the program and perhaps thereafter if the effects of transitional employment persist over time. However, this sort of experiment would not be feasible if state and local officials were committed to extending the full spectrum of specialized services to all eligible clients. As an alternative, one could test various specialized work-based program models against each other. For example, one can imagine an experiment in which a Model IV program is the treatment policy, while a Model III program is the control policy. To the extent that these two models generate different outcomes, then these differences could be detected in an experiment with a sufficiently large sample size.

A final alternative would be to implement a work-based program model as an enhancement to mental health and/or substance abuse treatment programs already in place in many states. Participants referred to these programs almost always continue to participate in work first while they are receiving mental health or substance abuse services. As an alternative, some participants could be provided with more specialized employment services. In this case, no one would be denied services; everyone would receive mental health and/or substance abuse treatment services but some clients would receive treatment services and

work first while others would receive treatment services and more specialized employment services.