

Five Welfare-to-Work Approaches That Worked

Lessons Learned:

- **Expectations for increases in welfare recipients' earnings, and decreases in welfare payments, should be modest.**
- **Successful programs combine close ties with employers, and job search, skills training, and basic education.**

Project Independence, Florida - currently operating ***Mandatory program participation for targeted welfare recipients***

- Enrollees are usually assigned to either job search or to education and training on the basis of their education (10th grade completion) *and* recent work experience (work in 12 of the previous 36 months).
- Grants may be reduced if clients do not participate in assigned activity.
- After a 12-month follow up period, Project Independence participants earned an average of \$157 more per year than the control group (a difference of 7 percent) *and* Project Independence participants had an average of \$157 per year reduction in welfare payments (a difference of 7 percent).
- Cost per client not yet available.

Evaluated by Manpower Demonstration Research Corporation, New York

Greater Avenues to Independence (GAIN), California - currently operating ***Mandatory program participation for targeted welfare recipients***

- Enrollees are usually assigned to either job search or basic education on the basis of their education (high school diploma or G.E.D.), performance on a literacy test, and proficiency in English.
- If not employed after basic education and/or job search, clients are assessed to determine their next activity: post-secondary vocational education, skills training, unpaid work experience.
- Grants may be reduced or terminated if clients do not participate in assigned activity.
- After a 36-month follow-up period, GAIN participants earned an average of \$1,414 more than the control group (a difference of 22 percent), *and* GAIN participants had an average \$961 reduction in welfare payments (a difference of 6 percent).

Riverside County's GAIN Program was most successful: participants earned an average of \$3,113 more than the control group (a difference of 49 percent) *and* GAIN participants had an average of \$1,983 reduction in welfare payments (a difference of 15 percent).

- Net cost per client in **Riverside** was \$1,597, with a \$2.84 return for every net dollar spent.

Evaluated by Manpower Demonstration Research Corporation, New York

Center for Employment and Training (CET), San Jose, California - currently operating
Voluntary program that emphasizes learning in context; this program is not restricted to welfare recipients

- Immediate placement in hands-on vocational training, with no assessment.
- Basic education integrated with vocational training.
- Training is job-oriented; only specific skills known to be in demand are offered.
- After a 30-month follow-up period, CET participants earned an average of \$100 more per *month* than the control group, *but* there were no significant differences between CET participants and the control group in the rate of employment or reduction in welfare payments.
- Cost per client: \$3,888.

Evaluated by Mathematica Policy Research, Princeton, New Jersey

Child Assistance Program (CAP), New York Demonstration - 1988-1994
Voluntary program that provides financial incentives for employment

- Participants must have a child support order.
- Employment not required, but more favorable treatment of earnings in CAP than assistance; CAP benefits are reduced by only 10 cents for each dollar earned *up to* the poverty level, and by 67 cents for each dollar *above* the poverty level.
- After a 24-month follow-up period, the treatment group (only 10 percent of whom were CAP participants) earned an average of \$576 more per year than the control group (a difference of 30 percent), *but* there was no significant difference between the treatment and control group in assistance payments.
- The only county that had a statistical difference between the treatment and control groups in support orders had hired a child support specialist.
- Cost per client: average savings of \$2.00 per treatment client per month.

Evaluated by Abt & Associates, Cambridge, Massachusetts

San Diego Work Incentive Model (SWIM), San Diego Demonstration - 1985-87
Mandatory participation in a fixed sequence of three activities

- Job search.
- Unpaid community work experience.
- Assessment, then community college or other training.
- After a 60-month follow-up period, single-parent SWIM participants earned an average of \$2,076 more than the control group (a difference of 15 percent), *and* SWIM participants had an average \$1,916 reduction in welfare payments (a difference of 11 percent).
- The differences narrowed after 24 months, partly due to more members of the control group were subject to the participation requirements of GAIN.
- Net cost per client: \$920 after 24 months.

Evaluated by Manpower Demonstration Research Corporation, New York

*If you have questions, please call Carol Webster or Gregory Weeks at the Institute
(206) 866-6000, extension 6380.*

August 1994