

## **Welfare Reform Notes:**

### ***Disappointing Early Results from the "New Chance" Demonstration***

#### ***Background***

New Chance was a national demonstration program that targeted young women who received welfare. Participants were 16-22 years old, gave birth as teenagers, and were high school dropouts. The participants were primarily volunteers. Immediate objectives were to increase educational attainment, increase contraceptive use, and improve parenting skills. Long-term objectives were to increase employment and decrease welfare use. New Chance was operated at 16 sites in 10 states by various organizations, between 1989 and 1992. (See back page for a list of sites and services provided.)

The evaluation of New Chance was conducted by Manpower Demonstration Research Corporation (MDRC). MDRC compared 2,322 women who were randomly assigned to either an **experimental** group (those who were allowed to enroll in New Chance) or a **control** group (those who were excluded from New Chance services, but may have utilized alternative services in their community). Women in the experimental and control groups were interviewed at 18 months after entering the program and will be re-interviewed at 42 months. The findings presented here summarize the results of the 18-month follow-up.

#### ***Findings***

- Women in both groups had similar rates of welfare receipt and employment. More than 40 percent of each group had been employed at some point during the follow-up period; however, control group members averaged \$342 more in earnings during this 18-month period than New Chance participants.
- New Chance participants were more likely than the control group to have obtained a GED certificate (37 percent v. 21 percent); however, on average, both groups read at slightly below an eighth-grade level.
- New Chance participants were more likely than the control group to have had another pregnancy during the follow-up period, and were less likely to be using contraception regularly.
- Children in the two groups were living in home environments that were of similar quality.
- There were no differences between groups in terms of health outcomes, depression, and stress for the mothers.

#### ***Discussion***

Participants were drawn to the New Chance program by the desire to earn a GED. Because of their enrollment in educational activities, employment may be less in the short term, but could increase in the long term. At the 18-month follow-up, approximately 80 percent of each group had been on AFDC for all 18 months. At this point it is difficult to predict whether the New Chance model will produce the desired long-term results for the young mothers and their

children. More New Chance participants than control group members received a GED. Other studies have shown that a GED can be useful as a bridge to higher education or vocational training, but not as useful as a preparation for the job market.

Absenteeism and early terminations resulted in a less intensive program than originally planned. These results, and results of other recent welfare program evaluations, show the difficulty in designing an effective program for young mothers who receive welfare, especially those who dropped out of school before entering a program. The pregnancy rates and contraceptive use of the New Chance participants were disappointing, and suggest the difficulty of changing behavior once young women have become mothers. Nearly 40 percent of the sample had dropped out of school *before* becoming pregnant, which suggests the need for earlier intervention for female students who are likely to drop out.

### **New Chance Services**

#### Phase I:

- *Instruction in basic academic skills and preparation for the GED test*
- *Health education and family planning*
- *Case management, including individual counseling*
- *Child care and pediatric health services*

#### Phase II:

- *Employability development and life skills classes*
- *Job-specific skills training*
- *Paid and unpaid work internships*
- *Job placement assistance*

*Program activities were designed to be comprehensive and intensive. New Chance sites were designed to be small, warm and supportive, but also demanding. Phase I services were offered at the program site, using a "one-stop shopping" approach; Phase II services were offered off site. Program activities were scheduled for 20 to 30 hours per week.*

### **New Chance Sites:**

California	Chula Vista, Inglewood, San Jose
Colorado	Denver
Florida	Jacksonville
Illinois	Chicago Heights
Kentucky	Lexington
Michigan	Detroit
Minnesota	Minneapolis
New York	Bronx, Harlem
Oregon	Portland, Salem
Pennsylvania	Allentown, Philadelphia, Pittsburgh

**See *Executive Summary of New Chance: Interim Findings*, MDRC, New York, June 1994. For additional information, contact Carol Webster or Greg Weeks at the Institute.**

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