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ABSTRACT
                This report presents findings of a three-year
evaluation of West Virginia's Community Work Experience Program
(CWEP), which requires public service in exchange for welfare
payments by able-bodied recipients of Aid to Families with Dependent
Children (AFDC). Overall findings indicate that the state has
succeeded in its principal objective: providing a substantial number
of welfare recipients with productive, long-term work experience.
Part One of the report contains two chapters: an introduction and
Chapter 2, discussing the nature of the CWEP jobs for both the AFDCs
(family heads) and AFDC-Us (Unemployed Parent category) as well as
participants' and their supervisors' views of the value of work and
participants' attitudes about the work-for-benefits requirement. The
balance of the report is divided into two more parts. Part Two
presents the findings of the CWEP study for women, and Part Three
contains the evaluation of CWEP for men. The first chapter of each
part (Chapters 3 and 7) describes the research design, sample, and
data sources; the second (Chapters 4 and 8) considers the different
participation patterns; and the third (Chapters 5 and 9) analyzes
impacts. The fourth chapter (Chapters 6 and 10) discusses the
benefits of the program relative to its costs for each group.
Supplementary tables are appended. (YLB)

WEST VIRGINIA

The Demonstration Of
State Work/Welfare Initiatives

Final Report on the Community Work Experience Demonstrations

Daniel Friedlander
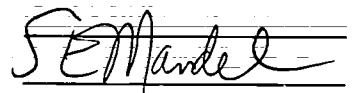Marjorie Erickson
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September 1986

MANPOWER DEMONSTRATION
RESEARCH CORPORATION

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WEST VIRGINIA: FINAL REPORT ON THE
COMMUNITY WORK EXPERIENCE DEMONSTRATIONS

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September 1986

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ACKNOWLEDGMENTS

PREFACE

This is the second and final report on West Virginia's Community Work Experience Program (CWEP), a statewide initiative that requires able-bodied recipients of the Aid to Families with Dependent Children (AFDC) program to perform public service in exchange for welfare payments. This study is part of MDRC's large multi-state Demonstration of State Work/Welfare Initiatives. Other states in this project include Arkansas, California, Illinois, Maine, Maryland, New Jersey and Virginia.

The Demonstration of State Work/Welfare Initiatives has been a unique opportunity for MDRC to work closely with a number of states to evaluate their employment programs. At the same time, MDRC has been able to examine a subject of national as well as state concern: the critical relationship between work and welfare dependency. Addressing state issues in a manner that benefits policy at many levels is a challenge that MDRC has been privileged to undertake.

This demonstration also documents an important shift in program responsibility away from the federal government to the states. The studies evaluate the initiatives states themselves chose to implement under the provisions of the Omnibus Budget Reconciliation Act of 1981, in which they received authority for the first time to operate Community Work Experience Programs (CWEP) for recipients of AFDC and to streamline the administration of their Work Incentive (WIN) systems. Because states responded to these options in different ways, the demonstration is not built around a single model. Rather, the initiatives represent some of the major variations being tried in this country and span a range of local economic conditions and AFDC program provisions.

Most states receive two research reports over the course of the demonstration. The first report for West Virginia covered issues of implementation and early participation. This second and final report updates that information and presents CWEP's impacts on employment and welfare receipt as well as the costs and benefits of the program. The report has particular importance for two reasons. First, it looks separately at the West Virginia program's effects on two groups: the mostly female AFDC recipients, and the primarily male AFDC-U population. Second, it studies a relatively pure form of CWEP -- or workfare -- as it was implemented in a state with an unusually high unemployment rate during the period of research.

MDRC could not have conducted this demonstration without the support of The Ford Foundation, which provided funds for the planning stage and for the evaluation activities of the participating states, matching an equal investment of state or other local resources. This type of funding arrangement is another significant aspect of the demonstration. In West Virginia, the Claude Worthington Benedum Foundation provided resources both to MDRC

and the State of West Virginia to allow an unusual test of CWEP for AFDC-U recipients.

Throughout the course of the Demonstration of State Work/Welfare Initiatives, MDRC has been gratified by the sustained commitment of the participating states and foundations and their interest in the findings. It is our hope that the process and results of this demonstration have contributed to informed decision-making and will ultimately lead to the development and operation of even more effective programs designed to increase the self-sufficiency of welfare recipients.

Judith M. Gueron
President

EXECUTIVE SUMMARY

This is the second and final report on a three-year evaluation of West Virginia's Community Work Experience Program (CWEP), a statewide initiative operated by the Department of Human Services, that requires public service in exchange for welfare payments by able-bodied recipients of Aid to Families with Dependent Children (AFDC). CWEP, often called workfare, is operated for both single-parent AFDC family heads (primarily mothers) and heads of two-parent families (primarily fathers) in the smaller Unemployed Parent (AFDC-U) category.

Overall, the findings of this study indicate that the state succeeded in its principal objective: providing a substantial number of welfare recipients with productive, long-term work experience -- with the aim to maintain skills and morale -- in a labor market suffering one of the highest unemployment rates in the nation.

For the AFDC women, this meant that mothers without child-care barriers participated in CWEP at rates equal to or better than those found in earlier mandatory work experience programs, although participation was far from universal. Worksite assignments could continue for as long as recipients received welfare (and in some cases lasted for years), but participants said that they liked their jobs and found a work requirement fair. (The fact that work schedules were arranged around school hours and that sanctioning was almost never used may partly account for this view.) As expected by program planners, CWEP for AFDC women did not lead to any net savings in public expenditures and -- in part because of the state's

poor labor market -- did not increase unsubsidized employment. There were, however, small welfare savings.

For the AFDC-U men, the state succeeded in implementing a participation requirement and, in a specially-funded effort in one group of counties, reached the probable upper limits of participation in a workfare program for AFDC-Us. In these counties -- where the caseload participation rate reached almost 70 percent -- participants displayed high levels of productivity and, like the women, expressed satisfaction with the work-for-benefits approach. CWEP operating costs for AFDC-U participants were even lower than for the women. However, less information is available about CWEP's employment and welfare effects on the AFDC-U group.

This evaluation of West Virginia's employment initiative is one of a number being conducted in several states by the Manpower Demonstration Research Corporation (MDRC). In its multi-site Demonstration of State Work/Welfare initiatives, launched in 1982 after federal legislation gave states the option to experiment with different policy approaches (including workfare), MDRC is examining eight state employment programs in depth and three others in a less intensive fashion. The demonstration is funded by The Ford Foundation, participating states and local philanthropic organizations. The Claude Worthington Benedum Foundation was instrumental in providing resources for the West Virginia evaluation.

Background

Begun in early 1982, West Virginia's large-scale CWEP program operated first only for AFDC-U men and was later extended (in July 1983) to AFDC women. The state's version of workfare merits particular attention because

the concept has been implemented in a relatively "pure" form, operating to nearly the full extent authorized under the Omnibus Budget Reconciliation Act (OBRA) of 1981. The program was run in every county; the entire AFDC-U and AFDC WIN-mandatory caseloads were eligible (i.e., all fathers or all mothers with school-age children); during the period of the research, work was required for the maximum allowable monthly hours, equal to the welfare benefit divided by the $3.35 minimum-wage rate; and the work obligation lasted for as long as recipients received a welfare check. (In July 1985, the requirement was reduced to 80 percent of the welfare benefit divided by the minimum wage.) Throughout this report, working in a CWEP job is classified as program participation and not employment. Only unsubsidized jobs are counted in the various measures of employment that appear in the impact analyses.

In practice, the program was limited in its CWEP assignments by resources and program philosophy. For the men, resources were only available to cover transportation stipends for approximately 40 percent of the state's AFDC-U caseload except in counties that received special demonstration funding. For the women, program guidelines stipulated that work should not interfere with child-care responsibilities. Staff thus tried to confine work hours for the mothers to times when their children were in school, and also had wide latitude to grant exemptions. (West Virginia CWEP did not initially provide child-care assistance.)

The CWEP Study of AFDCs

Separate research agendas were set for evaluating CWEP for AFDCs and AFDC-Us; the different research designs are shown in Figure 1. For the

FIGURE 1

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DIFFERENCES BETWEEN THE AFDC AND AFDC-U STUDIES

Characteristics	AFDC	AFDC-U
Target Group	Primarily women (mandatory WIN registrants: one-third of AFDC caseload)	Primarily men (all AFDC-U)
Existing Program	Statewide CWEP	Statewide CWEP
Program Evaluated	Statewide CWEP	Special "saturation" effort
Research Focus	Measure impacts and costs of CWEP	Measure feasibility and costs of saturation
Research Design	Random assignment	Comparison of areas
Study Sample	75% of target group in 8 of 27 areas	100% of target group in 8 of 27 areas
Funding	Regular CWEP funding	Four comparison areas: regular CWEP funding -- slots for 40% of caseload Four saturation areas: special unlimited slot funding

AFDCs, a large-scale study determined in a rigorous fashion whether CWEP increased unsubsidized employment and reduced welfare receipt. Under this research design, women with school-age children, the legally mandatory AFDC group, were assigned on a random basis to either an experimental or a control group. Experimentals could participate in CWEP; controls were excluded. Because randomization ensured that the two groups would be similar in demographic and background characteristics, differences between the groups in average employment or welfare receipt over time could be confidently attributed to the workfare treatment. The reliability of impact results for women is therefore the key feature of the AFDC study of CWEP.

The CWEP Study of AFDC-Us

In the study for AFDC-U men, the research examined a somewhat different policy question. Special funding from the Benedum Foundation had made expanded CWEP participation possible in selected areas that allowed a demonstration to be fielded to test the feasibility of CWEP "saturation," or making the work-for-benefits requirement a reality for as many in the AFDC-U caseload as possible. This special demonstration afforded a unique look at one possibility for restructuring public assistance for heads of two-parent families -- namely, making public aid a two-way obligation in which monetary support would no longer be an entitlement, but rather would be provided by society in exchange for recipients' work in the community. Since the child-age exemption does not apply to two-parent heads, nearly all of the AFDC-U men could be covered by such an obligation.

This vision of public assistance is predicated on the provision of

sufficient numbers of long-term work positions in public or private non-profit agencies -- jobs that are not "make-work" but instead encourage good work habits and keep up a work history while making a productive contribution to the community. Questions of scale were paramount in the AFDC-U study: What was the maximum work slot availability; the staff capacity for assignment and monitoring; the upper limit of caseload participation; the cost of operations; the duration and quality of work; the productivity of participants; the extent of financial sanctions to assure compliance? Answers to these questions required that the test be conducted on an area-wide basis to obtain accurate information on program participation and cost. The demonstration thus constitutes a feasibility test of CWEP operated at its maximum scale for the small but important AFDC-U portion of the welfare caseload.

Context helped to shape the nature of the demonstration, for several background factors made the state a unique setting for workfare. West Virginia is largely rural and has had high structural and cyclical unemployment for years. Staff noted that if residents were not poor, chances were good that some of their neighbors were. Subsidized jobs programs and welfare were facts of life, and the state had for more than two decades built considerable institutional experience in running work programs for men. There was also a significant demand for subsidized workers, given stringent state fiscal conditions. For these reasons, other states -- with different institutional histories or economic circumstances -- may have different experiences in operating mandatory workfare for men.

CWEP Participant Attitudes and Worksite Productivity

The important issues of participant productivity and perceptions of the fairness of the work requirement were addressed using questionnaires administered at worksites to a random sample of 94 CWEP participants (60 men and 34 women) and their supervisors. At the time of the interviews, the sampled male CWEP participants had been in jobs for an average of 35 weeks; females, 13 weeks. Major findings include:

- The majority of supervisors, and an even greater proportion of participants, stated that the work made a valuable and usually necessary contribution to the sponsoring agency.

- More than half of the supervisors rated participant productivity as equal to or greater than that of new regular employees.

- Few participants acquired new skills at the worksite, primarily because most had the necessary ones to perform the work when they started. Skills improvement was confined to a small group.

- The work-for-benefits requirement was generally perceived as fair by both men and women.

All but three of the 94 respondents understood that their welfare grants were conditioned on the work requirement. Nevertheless, the great majority expressed job satisfaction and thought that work in return for their welfare checks was fair. However, most participants believed that the worksite sponsor had the better end of the bargain financially when it came to the work performed.

CWEP FOR AFDCs

The CWEP study for AFDCs was conducted in nine West Virginia areas, covering 21 counties and 44 percent of the state's AFDC cases. Random assignment of the existing caseload and new registrants began in July 1983

and continued through April 1984, yielding a research sample of 3,694, split roughly in half between the experimental and control groups. Most sample members (90 percent) were white; half (47 percent) were divorced or widowed; and half (54 percent) had neither a high school diploma nor its equivalent. While only experimentals were assigned to CWEP, both groups could, in theory, participate in any other state-offered employment activities such as job search, education or training. In practice, these were rarely assigned.

AFDC: Program Participation

- About one-quarter of all AFDC experimentals worked at some point in CWEP positions during a nine-month follow-up.

In West Virginia, although only 24 percent of all AFDC experimentals worked in CWEP positions within nine months of random assignment, participation increased over time. It reached 33 percent for the earliest group of enrollees by the 15-month mark. Among other states in MDRC's demonstration, participation in a work experience component -- run as a second or later component -- has never surpassed 18 percent. This is partially because West Virginia's programmatic focus on work experience was unique. Most programs in other states provided work experience only after upfront job search so that, while participation was higher overall in the whole sequence of program activities, it was lower in work experience.

Sanctioning was seldom used in West Virginia (for under 2 percent of the AFDC sample). The rates for experimentals and controls were almost identical, indicating that financial penalties were not used as a tool to enforce participation.

• CWEP assignments were often lengthy, although participation was neither full-time nor continuous.

It is important to remember that worksite assignments were not expected to be full-time; the number of required work hours was limited by the size of the grant, and, for the women, averaged 53 hours for each month they were assigned to CWEP. However, CWEP was meant to be an ongoing work obligation, and the West Virginia program offered the opportunity to examine how long AFDC women would participate, given this requirement. (Before CWEP's authorization in 1981, the existing work component run by the national WIN Program was for the most part limited to 13 weeks.)

While it was not possible to follow all registrants indefinitely, a special sample of early participants was tracked for close to three years. This group averaged 11 months at a CWEP worksite. One fifth of the sample was still working at the end of the follow-up.

Work was, however, by no means continuous. Participation dropped by half during the summer months for one subsample, reflecting the sensitivity of program operators to the mothers' need to care for their children when school was out.

AFDC: Impacts on Employment and Welfare Receipt

Impacts for the women were estimated by subtracting the outcomes averaged for _all_ controls from those averaged for _all_ experimentals -- CWEP participants and nonparticipants alike -- over a uniform follow-up period. Sample members with zero earnings or zero welfare payments were included in the calculations of average earnings and welfare dollars.

Data on employment and earnings were obtained from the West Virginia

Unemployment Insurance (UI) system for all sample members for a minimum of 18 months from the date of random assignment. Automated AFDC payment ledgers provided information on benefit receipt for a minimum of 21 months. Data quality was generally good, but each group's average employment rates and earnings are probably underestimated (by as much as one-third) because wages from jobs in neighboring states and in certain occupations are not reported to the West Virginia UI system. Therefore, any impacts on employment and earnings would also be underestimated in this study. As it turned out, measured experimental-control differentials were consistently so small that possible bias was not an important consideration for interpretation of the results.

- CWEP had no short-term impacts on the employment or earnings of AFDC women.

Table 1 and Figure 2 present the overall impact estimates for AFDCs. Employment and earnings levels of experimental and control groups were almost identical: 22.7 percent of controls were employed at some point during the 18-month follow-up, while 22.3 percent of experimentals were also employed. Earnings from quarters 2 through 6 averaged $712 for controls and $713 for experimentals. As shown in the figure, quarter-by-quarter employment rates for both groups followed similar paths.

- Small reductions in welfare receipt for the women were evident at the end of the 21-month follow-up period.

A statistically significant reduction in the proportion of AFDC experimentals receiving welfare did occur, but not until the seventh (and last) quarter of follow-up. At that point, welfare receipt was down by 2.8 percentage points from the control group mean of 60.7 percent. In this same quarter, welfare payments were lower by $16 per experimental, a 4.7 percent

TABLE 1

SUMMARY OF PROGRAM IMPACTS FOR THE AFDC SAMPLE

Outcome and Follow-Up Period	Experimentals	Controls	Difference
Ever Employed, Quarters 2 - 6 (%)	22.3	22.7	-0.4
Ever Employed (%)			
Quarter of Random Assignment	8.4	9.2	-0.8
Quarter 2	9.2	9.9	-0.8
Quarter 3	10.9	11.2	-0.3
Quarter 4	12.0	13.1	-1.0
Quarter 5	12.7	13.8	-1.1
Quarter 6	13.4	13.8	-0.4
Average Total Earnings, Quarters 2 - 6 ($)	712.51	712.20	+0.32
Average Total Earnings ($)			
Quarter of Random Assignment	69.47	73.32	- 3.85
Quarter 2	100.56	94.55	+ 6.01
Quarter 3	133.08	112.21	+20.87
Quarter 4	148.00	154.66	- 6.66
Quarter 5	162.46	173.19	-10.73
Quarter 6	168.42	177.59	- 9.17
Ever Received Any AFDC Payments, Quarters 1 - 7 (%)	96.8	86.0	+0.8
Ever Received Any AFDC Payments (%)			
Quarter of Random Assignment	84.2	93.2	+1.0
Quarter 2	87.6	86.7	+0.9
Quarter 3	78.0	79.0	-1.0
Quarter 4	70.9	72.5	-1.5
Quarter 5	65.5	67.8	-2.3
Quarter 6	61.8	63.5	-1.7
Quarter 7	57.8	60.7	-2.8*
Average Total AFDC Payments Received, Quarters 1 - 7 ($)	2681.37	2721.40	-40.03
Average AFDC Payments Received ($)			
Quarter of Random Assignment	452.44	449.38	+ 3.06
Quarter 2	459.39	453.75	+ 5.06
Quarter 3	410.61	412.52	- 1.91
Quarter 4	369.70	376.69	- 6.99
Quarter 5	335.96	350.84	-14.89*
Quarter 6	328.52	337.47	- 8.96
Quarter 7	324.77	340.75	-15.99*
Sample Size	1845	1834	

SOURCE: See Table 5.1.

NOTES: Employment and earnings impacts cover a period of 15 months beginning with the quarter after the quarter of random assignment. Welfare impacts cover a 21 month period including the quarter of random assignment.

The earnings and AFDC payments data include zero values for sample members not employed and for sample members not receiving welfare.

A two-tailed t-test was applied to experimental-control differences. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; ** = 1 percent.

FIGURE 2
QUARTERLY EMPLOYMENT RATES AND AVERAGE AFDC
PAYMENTS FOR THE AFDC SAMPLE, BY RESEARCH GROUP

Quarterly Employment Rate (%)

Experimentals

Controls

Quarter of
Random Assignment

Quarter Relative to Random Assignment

Average AFDC Payments ($)

Experimentals

Controls

Quarter of
Random Assignment

Quarter Relative to Random Assignment
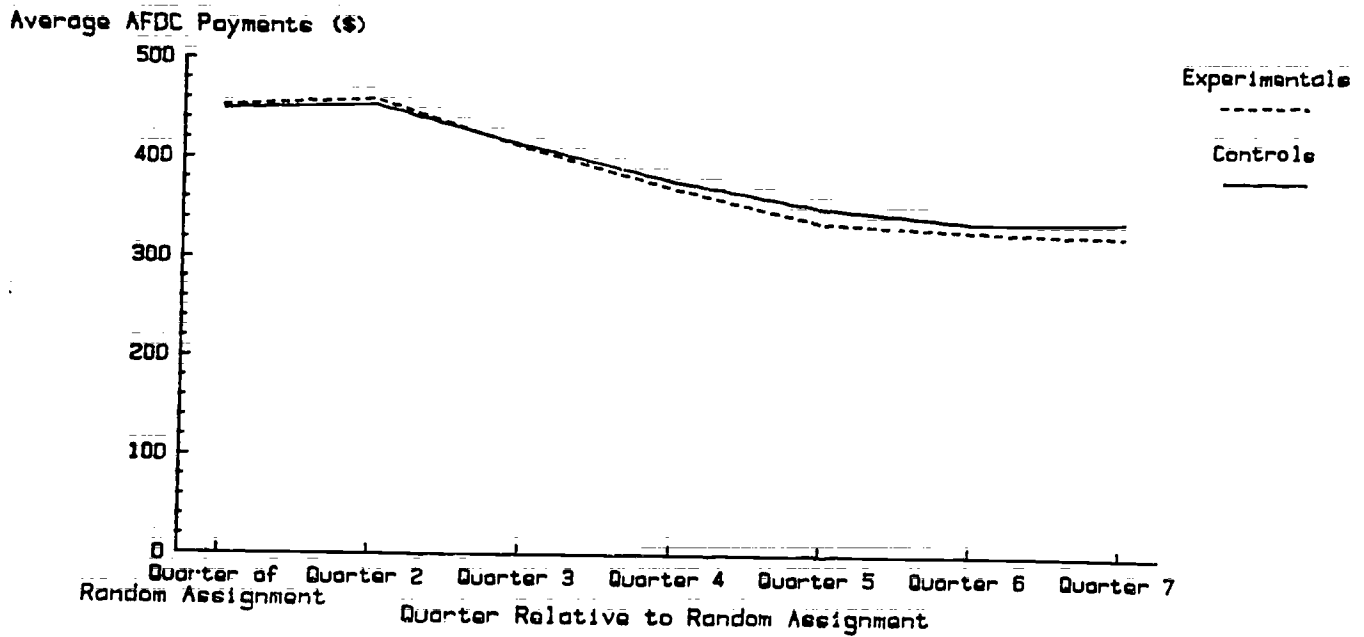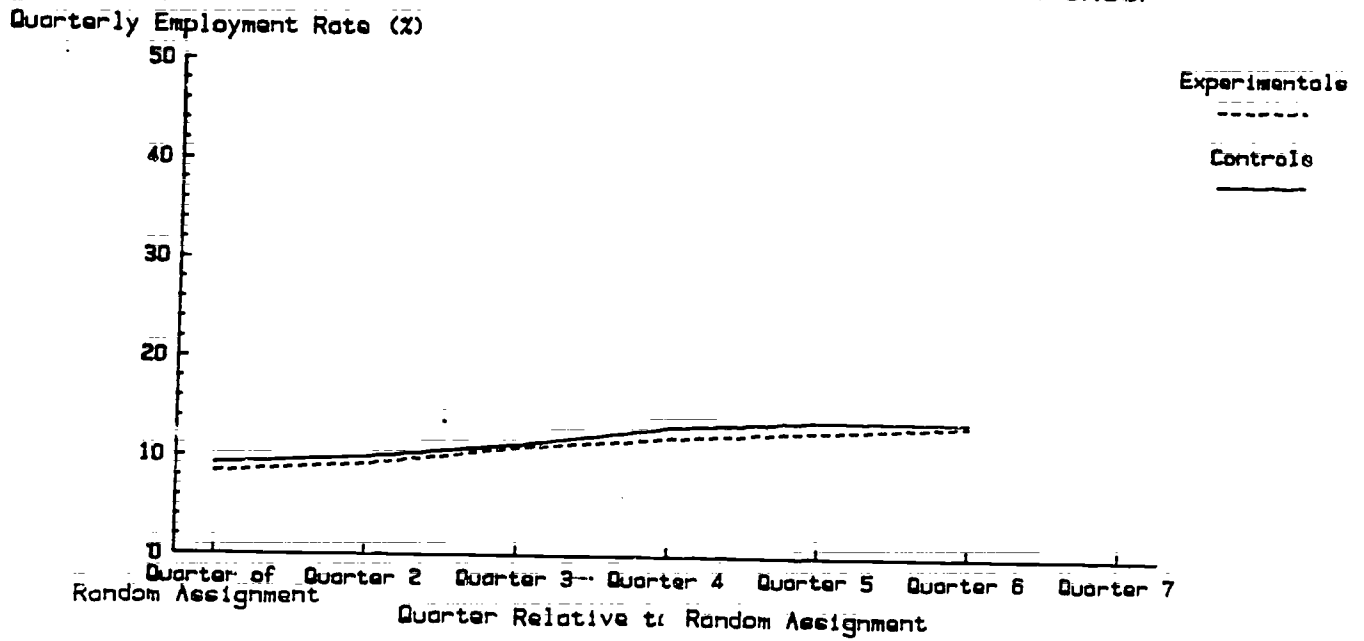
SOURCE: See Table 1.

reduction from the control group level of $341.

Recipients from less rural areas or those with a high school diploma or a shorter welfare tenure accounted for most of these overall benefit reductions; these women generated welfare savings of from 3 to 10 percent. Additional data for early sample members, however, suggest that overall welfare savings may not persist beyond the two-year follow-up point.

AFDC: Benefits and Costs

The benefit-cost analysis of CWEP for women compares the program's operating and support costs to changes in the women's earnings and payments from welfare or other transfer programs. The value of the goods and services the women produced in their CWEP positions is also considered. The analysis is confined to program effects that can be valued in dollars. "Net" figures represent the difference between the average for experimentals and the average for controls.

Gains and losses are projected over a time horizon of five years from sample entry. Thus, the overall results reflect a number of key assumptions about the period after data collection, although a special survey of participation records updated information for a sample of early participants almost to the three-year mark.

- Lengthy work assignments -- combined with productivity levels equal to or surpassing those of regular employees -- led to substantial value of CWEP output for AFDCs.

Supervisors interviewed in the CWEP jobs judged the women to be, on average, slightly more productive than regular employees. For experimental registrants, the value of output per CWEP participant averaged $3,400 over the five-year projection period, reflecting an average of 14 months spent

in part-time jobs. Since only a fraction of the experimental sample actually participated, the value of output was $903 per experimental.

- The costs of CWEP administration and transportation stipends were the principal costs of the program. Title XX child-care allowances -- available a year after the research began -- contributed less to the total.

Over the full five-year period, the average gross cost of the program for an AFDC participant amounted to $1,327. Of this total, $556 went for program administration. Transportation stipends of $25 per month were paid to participants assigned 40 or more hours (and $15 per month to other participants) and averaged $402. Of the remainder, $214 went to Title XX child-care allowances, while staff time spent dealing with noncompliance came to only $10 per participant.

When these figures are restated as net costs per experimental, the total cost of the program was estimated to be $260, with $127 going to CWEP operations and $91 to transportation. The balance was child-care and other costs.

- CWEP did not lead to any financial gains for the welfare recipients.

Table 2 shows the results of the benefit-cost analysis from three perspectives: the welfare recipients, government budgets, and the public at large. From the point of view of recipients, the lack of earnings gains -- plus only modest welfare reductions and other expenses -- led to a five-year loss of $84 for this group.

- As anticipated by state officials, CWEP cost rather than saved money for government budgets. However, when the value of goods and services produced by CWEP workers is factored in, the public at large clearly gained.

From the strictly limited viewpoint of government budgets, welfare

TABLE 2

AFDC: ESTIMATED BENEFITS AND LOSSES PER EXPERIMENTAL OVER FIVE YEARS

Component of Analysis	Welfare Sample	Government Budget	Government Budget Plus Value of Deposit
Total Benefits	$160	$98	$98
Total Losses	-244	-267	-267
Value of Output			903
Net Gain or Loss	-$84	-$169	$734

SOURCE: Tables 6.7 and 6.8

savings and reductions in other transfer program payments were not suffi-
cient to cover the costs of CWEP. The loss to government budgets over five
years was $169 per experimental. When CWEP output is added to the budget
effect, however, the result becomes positive. The net gain to the public
was $734 per experimental.

CWEP FOR AFDC-Us

The AFDC-U study was conducted in eight of the nine AFDC experimental
areas. Four of these areas, covering nine counties and 20 percent of the
state's AFDC-U caseload, were selected for "saturation" participation,
while four others were designated as comparison areas.

The saturation effort began on March 1, 1983, and between that date
and the end of April 1984, virtually all of the AFDC-U caseload in the
study areas was entered into the research sample. The sample total was
5,630 AFDC-U registrants: 2,798 in saturation areas and 2,832 in comparison
areas. Nearly all were white, 93 percent were male, and the average age
was 31 years. The mean amount of completed schooling was under 10 and
one-half years.

AFDC-U: Program Participation

- Four months after the saturation effort began, participation
  had increased dramatically, peaking at almost 70 percent of
  the caseload monthly. Given the especially favorable circum-
  stances in West Virginia, this may be the highest level
  possible in a workfare program run for AFDC-Us.

The percent of on-board registrants participating monthly has been
proposed as an appropriate measure to use in setting national guidelines
for program performance. In the saturation areas, the highest level of

participation was reached in June of 1983, when 69 percent of all AFDC-U registrants were in CWEP positions. For the months that followed, caseload participation rates were between 59 and 65 percent.

It is important to note that several factors in West Virginia acted together to facilitate CWEP participation, and in other states or localities -- where these same conditions do not exist -- such a high rate is unlikely. West Virginia had access to special demonstration funding; the welfare agency operating the program had a strong staff, experienced in running work programs; the target population did not resent a work requirement; and a demand for subsidized labor already existed. The testing ground was almost ideal for determining CWEP's maximum scale for AFDC-Us, who as heads of two-parent families, did not have child-care constraints on participation, as did the AFDC women. (The maximum participation rate for AFDC women would almost certainly be lower.)

That West Virginia reached its maximum level -- i.e., there were virtually no more potential CWEP candidates -- was confirmed by a study of program records. It found that nonparticipants had generally not been passed over by the program. In some cases, worksites were not available where and when they were needed, and men were awaiting assignment. A few were employed, and others had grants too small for the monthly work hours to be attractive to worksite sponsors. Discretionary exemptions were also granted for geographic remoteness, poor health, or other reasons.

Saturation areas had a higher sanctioning rate overall than comparison areas (6 percent versus 3 percent). But wide variation was evident by area, although there was no clear correlation, either positive or negative, between sanctioning and participation rates. The area with the highest

participation had one of the lowest sanctioning rates.

- Worksite participation was not only long, but for the most part continuous.

The early saturation sample was tracked for 18 months to estimate the duration of CWEP participation. Most participants started their worksite assignments within six months of entering the sample, and three-quarters of participants worked in a CWEP position for more than three months; over one-third (35 percent) were still participating at the end of 18 months. A special survey of records showed that, at about the three-year mark, 12 percent were still working.

Ongoing participation was more the rule for the men than the women, and was greater in the saturation areas. Four out of five saturation AFDC-Us who started in a CWEP job and remained on welfare were still in their positions a year later. They worked, on average, 66 hours per month in their part-time jobs; few men were assigned for less than 40 hours monthly.

AFDC-U: Employment and Welfare Experiences

The priority of studying program scale for the men forced trade-offs in the scope and reliability of the impact and benefit-cost research. A rigorous experimental design was not possible -- only an area-to-area comparison -- since the designation of control groups in each demonstration area would have diluted the intent to provide CWEP to as many people in the AFDC-U caseload as possible. Comparison area designs are generally problematic, but the current study had particularly severe challenges. For example, while the AFDC experiment was a straightforward comparison -- a

no-CWEP group was compared to a group receiving some CWEP -- the AFDC-U study compared some CWEP to more CWEP, and had no unserved group for baseline comparison.

More importantly, area comparisons were clouded by differences in labor markets and local program management practices -- differences that could distort impact estimates. And, because all saturation areas bordered on other states, cross-state commutation to work was common and greater in the saturation than the comparison areas. (As noted earlier, earnings from these jobs and from work in certain occupations are not reported to the West Virginia UI system.) Employment and earnings averages are therefore probably underestimated, and impacts are also likely to be biased in a negative direction.

- **Program planners had only limited hopes that CWEP could increase employment and earnings, given the job scarcity in West Virginia. Design problems prevented a reliable test of this expectation. There was, however, some evidence of welfare savings in the saturation areas.**

None of the officials or senior staff who designed the program believed that CWEP would have a significant effect on the unsubsidized employment of the AFDC-U caseload. Most felt that the great majority of recipients did not like being on welfare and would take jobs if they were available. In fact, no employment or earnings gains were found for the men. Measured employment was similar in both the saturation and comparison samples, although earnings were lower in the saturation areas by 7.3 percent, not a statistically significant difference.

Although data problems suggest that both employment and earnings may have been higher in the saturation areas than indicated in these estimates, the absence of impacts is consistent with studies of other state AFDC-U

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work initiatives in the OBRA environment. In programs studied with experimental designs, low-cost services did not measurably improve the outcomes of program participants; large numbers of AFDC-U controls appeared to be motivated and capable of finding jobs on their own.

In contrast, there may have been welfare savings in the saturation areas, although the same problematic design was used but with fewer data problems. Welfare receipt in West Virginia showed a marked decline in the saturation areas by the end of the follow-up. In quarter 7, comparison area members had a receipt rate of 52.3 percent compared to 45.4 percent for the saturation sample, a statistically significant difference of almost 7 percentage points. A $55 difference in average welfare payments was also statistically significant, and represents a 17 percent reduction from the average payment of $332 to AFDC-Us in comparison areas. Cumulatively, from quarters 2 through 7, saturation AFDC-Us spent more than a month less time on welfare and received $229 less in payments (down from the comparison average of $2,145).

True welfare savings of similar magnitude were found in a job search/ CWEP experiment for AFDC-Us in San Diego. But, in the case of West Virginia, it is not certain whether the outcomes are attributable to pre-existing differences between sample characteristics or local labor markets, or to some real effect of CWEP.

AFDC-U: Program Costs

In view of the uncertainty of the impact estimates for the saturation area sample, a full benefit-cost breakdown was not attempted in this study. However, the value of CWEP output and the gross costs of operating CWEP at

a nearly full scale will have considerable policy interest, and are presented below.

- **The value of CWEP output was somewhat higher for AFDC-U participants than for AFDC participants.**

Supervisors of AFDC-U CWEP participants (who had been at their worksites for an average of 35 weeks) rated them 22 percent more productive than regular employees. This is higher than the productivity rating for AFDCs and exceeds the rates found in other MDRC work/welfare studies. But given the high unemployment in West Virginia during the demonstration, it is not surprising that the AFDC-U sample included many experienced workers who were used to meeting the productivity levels of regular jobs.

CWEP participants in saturation areas worked in positions for an estimated average of 12 months over the five-year projection period. Over this time, the value of output per participant was estimated to average $4,300.

- **The gross cost of CWEP for AFDC-Us on a per participant basis was just about half that of AFDCs.**

In saturation areas, operation of the CWEP component cost $287 per participant over five years. An additional expense of $357 was incurred for transportation stipends, and other items brought the total to $757. This is lower than the corresponding cost for AFDCs largely because of two factors: lower CWEP operating and child-care costs. AFDC-Us stayed on welfare a shorter time than the AFDCs and therefore participated and incurred program costs for fewer total days. The cost per day was also lower because less staff time was required for arranging and monitoring worksite participation. And, as heads of two-parent families, AFDC-Us were not likely to need child-care assistance.

Conclusions

As implemented in West Virginia, workfare was not the punitive instrument that it is often feared to be. CWEP also did not invent the work ethic for welfare recipients in West Virginia; rather, it built on the work ethic it found. For the AFDC-U men, the high rates of participation, the positive responses by CWEP workers and their supervisors, and the modest time spent enforcing compliance all confirm that the program was accepted and not unpopular. Even among AFDC mothers, when liberal allowance was made for the child-care responsibilities and other circumstances of single parents, significant numbers did work for long periods in part-time jobs, in some cases for several years, even without financial penalties for noncooperation.

This does not mean that the mandatory provisions of the CWEP legislation are superfluous. As documented in the first CWEP report, many local staff believed sanctioning was a necessary tool. Even though it was not used very much, its mere existence may have been necessary for successful implementation. Virtually all the CWEP participants, men and women alike, understood that they risked reductions in their welfare payments if they did not fulfill their work assignments.

This report does show, however, the limited role that CWEP is likely to play in improving the employment prospects of welfare mothers in a rural environment with high rates of joblessness. This finding accorded with the expectations of program planners that, given the labor market, the program would have little impact on welfare caseloads. It is worth recalling, however, that, unlike other states operating post-OBRA programs, West Virginia did not allocate a substantial share of resources to formal job

search components.

A final assessment of CWEP must also consider the program's intangible as well as tangible benefits and costs. For AFDCs, while government budgets and welfare recipients alike did not gain financially from the program, non-monetary hardships for participants were probably kept to a minimum because the welfare agency adjusted work schedules to accommodate child-care responsibilities of single parents. The important factor, then, may be the value that one attaches to work -- the value society places on women's productive activity outside the home and the value this activity has for the residents of the communities.

For AFDC-Us, there was less evidence on CWEP's possible financial effects, but, again, one's view of the value of long-term, part-time work must weigh heavily in the final judgment. The program made a large pool rf unemployed labor available for community service. And, given the bleak job prospects of the West Virginia economy, CWEP gave fathers the opportunity to contribute in a productive way to the life of the community. The potential enhancement of the fathers' self-esteem may have been a significant unmeasured program benefit.

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PART ONE

CHAPTER 1

INTRODUCTION

The State of West Virginia's Department of Human Services (DHS) is currently administering a Community Work Experience Program (CWEP) for welfare recipients in the federal/state Aid to Families with Dependent Children (AFDC) program. Authorized by the Omnibus Budget Reconciliation Act (OBRA) of 1981, CWEP is a mandatory work program, often called workfare, whereby AFDC recipients are required to work in return for their welfare grants in public or nonprofit jobs. A recipient's maximum work obligation each month is calculated by dividing the monthly welfare check by the minimum wage.

West Virginia launched its large-scale CWEP program for members of the AFDC-Unemployed Parent category, primarily fathers in two-parent families, in early 1982. At that time, the state had about 5,000 AFDC-U cases, and all were eligible for CWEP. Subsequently, in July 1983, the CWEP program was extended to single parents in the AFDC WIN-mandatory[1] caseload (mostly mothers with school-age children). Of about 21,000 AFDC cases, some 7,000 case heads were WIN-mandatory and therefore eligible for CWEP.

West Virginia's CWEP program has particular policy significance; this state is one of few operating workfare to nearly the full extent authorized in the 1981 law. Workfare -- its purpose, its feasibility and its effects on recipients' self-sufficiency -- has long been the subject of national debate, and West Virginia's program has drawn particular attention. The program operates statewide; work is required for the maximum allowable

time; and the work obligation lasts as long as the recipient receives benefits. (In West Virginia, women with children less than age six are not required to participate, although the OBRA legislation allows states to include mothers with children age three or older if child care is provided.) Especially for the men, the program is intended to involve as many recipients as resources permit.

The first West Virginia report produced by the Manpower Demonstration Research Corporation (MDRC) assessed the implementation of the state's CWEP program for AFDCs and for AFDC-Us in the demonstration areas. This final report updates the participation findings of that early report, but its primary focus is on other analyses in the research plan: CWEP's effects on employment and welfare receipt of recipients, and the program's benefits and costs. However, since the program had two distinct target groups -- mothers and fathers -- as well as different research designs, the analyses for the two groups are presented separately.

The separate research focuses are important to understand. The study of AFDC-U fathers tested the feasibility of running CWEP for men on a large scale and examined the upperbound limits of participation. Analysis of program impacts, while informative, was limited, in that the effects of providing CWEP to a greater share, as compared to a smaller share of t caseload, were expected to be difficult to detect. The AFDC study, in contrast, could use a research design with random assignment to examine CWEP's impacts, benefits and costs with rigor. Thus, the findings on program effectiveness are more reliable for the mothers than the fathers.

Along with CWEP in West Virginia, a number of other state programs are being studied as part of MDRC's larger Demonstration of State Work/Welfare

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Initiatives, with the research funded by the participating states, The Ford Foundation and other philanthropic organizations. In West Virginia, the Claude Worthington Benedum Foundation has provided major support for the research on the CWEP program.[2] Six of the 11 initiatives in the demonstration have a work experience component, but generally combine this activity with job search or other services. In contrast, West Virginia's statewide program is almost exclusively workfare; no other major services are offered.

Among the states participating in the MDRC Demonstration, West Virginia is unique in several other ways. As noted in the first report, West Virginia has long led most states in the implementation of mandatory work programs for men. Since 1961, various types of programs have linked public work to welfare receipt, and large numbers of AFDC-U men have participated. Traditionally, the state has been hesitant to encourage women to participate.

West Virginia is also set apart from other states in its geography, the characteristics of its population and its economic conditions. The state is largely rural (64 percent of its residents live outside areas of 2,500 or more people), ethnically homogeneous (95.5 percent of the population is white), and its residents are known for a strong work ethic. Beset by severe labor market problems, the state had the nation's highest unemployment rate in the demonstration's first year (21 percent in January 1983), with the result that many experienced male workers were applying for welfare benefits. West Virginia also differed from other states in its higher proportion of AFDC-Us (approximately 22 percent) in the state's welfare caseload.[3] Other factors -- the 1980-1981 recession (felt strongly

by states dependent on energy production), cutbacks in federal revenue-sharing, and the demise of the CETA Public Service Employment Program -- all created a public and nonprofit sector demand for subsidized workers during the period under study.

The purpose of this chapter is to set a context for understanding the results of the different studies for both mothers and fathers, and to highlight the background factors that suggest caution in generalizing West Virginia's experience to those of CWEP programs operating elsewhere. This chapter discusses the CWEP model and its background, the program's purposes and settings, and the two evaluation designs for studying the AFDC and AFDC-U groups.

I.   The Program Models

The MDRC study of workfare for AFDC-Us, begun on March 1, 1983, tested the feasibility of "saturation," or carrying out the work-for-benefits mandate to its maximum extent. The intent was to assign work positions to as many eligible AFDC-U fathers as possible to examine the upperbound limits of participation in a mandatory work program.

The CWEP program for fathers had actually started in 1982 after the state legislature authorized funds to pay West Virginia's share of CWEP participants' work-related expenses. (This was necessary because, while WIN resources paid for operating the program, the state was responsible for providing half of a federal/state stipend reimbursing registrants for their CWEP expenses, primarily transportation.) State resources earmarked for stipends were only sufficient to cover approximately 40 percent of the AFDC-U caseload: each administrative area was therefore limited to that

level in its allocation of CWEP funds. In March 1983, however, as part of the saturation demonstration, extra funds were made available from the Claude Worthington Benedum Foundation to enable the Department of Human Services staff to remove this limit in nine counties (or four administrative areas). With work expenses now covered for all AFDC-U heads of household for whom Department staff could find CWEP positions, the Benedum and Ford Foundations awarded a grant to MDRC to evaluate primarily the implementation of an open-ended "saturation" program. The main goal of the research was to test the feasibility of operating an ongoing work requirement on a relatively large scale, although program impacts, benefits and costs were also to be examined.

For reasons discussed in a later section, the state legislature decided in 1983 to expand CWEP to AFDC single-parent recipients, also on a statewide basis. West Virginia, with support from The Ford Foundation, again contracted with MDRC to study this program. Female WIN-mandatory AFDC applicants and recipients (single parents whose youngest child was over age five) in 21 counties (or nine administrative areas) were the target group for this study. The AFDC caseloads in these areas made up over 40 percent of the state's July 1983 AFDC caseload. Only a few groups in the caseload were excluded from the research: males (about 5 percent of the single-parent caseload); people in full-time school or training; 16- and 17-year-olds; and those with employment (i.e, those who worked but had earnings so low that they still qualified for welfare).

The AFDC CWEP study did not test the program's feasibility at the saturation level, but neither were ceilings set on CWEP assignments. As with the men, the women assigned were expected to work for as long as they

received welfare.

II. Background of West Virginia's CWEP

As explored in the first West Virginia report, the State of West
Virginia has had a long history of linking public work jobs with the
receipt of welfare benefits.[4] As far back as 1961, when Congress gave
states the authority to establish two-parent programs, West Virginia set up
its AFDC-U program tied to a work program for men. Throughout the 1960s
and the early 1970s, the state administered the Emergency Employment
Program, the Community Work and Training (CWT) Program, Title V programs,
and WIN Special Work Projects. Participation ranged from 20 percent in the
Emergency Employment Program to nearly half of the AFDC-U caseload during
typical months in the CWT, Title V and WIN programs.

West Virginia's work and welfare linkage for men declined in 1972,
when Congress limited the share of WIN funds which states could target to
public jobs, and placed more emphasis on private sector job placements.
From 1972 to 1981, the then State Department of Welfare followed Congress'
lead, with an explicit goal of achieving a "zero caseload" in the AFDC-U
program. Activities towards this end, along with the expansion of the
economy in the mid-1960s, reduced the AFDC-U caseload in 1974 to its lowest
point ever in West Virginia. Also, by this time, the Department of Welfare
had carved for itself a more active role in the WIN Program than was
typical for most state welfare agencies at the time. This role was further
solidified by the co-location in 1974 of the Welfare Department and WIN
Program staffs in the welfare offices.

Tradition and service priorities were, however, different for AFDC

mothers. Women generally were expected to care for their children rather than work. Consequently, most had little prior employment experience and, when their children grew older, were directed to WIN Program components to receive orientation to the world of work, educational remediation and skills training. A low priority was given to direct job placement.

With the election in 1978 of a new governor and the appointment of a new Commissioner of Welfare, Leon Ginsberg, the primacy of caseload reduction for men was reconsidered. Greater emphasis was placed on employment and training services, which received more funding under the federal WIN Program in the Carter administration.

In the spring of 1981, high unemployment and a large AFDC-U caseload again prevailed in West Virginia. At that point, the U.S. Department of Health and Human Services invited state welfare agencies to submit proposals for the operation of Community Work Experience demonstrations. These programs, to be operated under a special "demonstration waiver" authority, would give state agencies exemption from certain provisions of the AFDC law. The West Virginia Department of Welfare's many years of experience with work programs for men, combined with Commissioner Ginsberg's interest in a greater employment role for welfare agencies, made the state's decision to establish a CWEP program "a natural," according to the Commissioner. A team of veteran West Virginia welfare staff, many of whom had helped to administer the Title V programs, designed a CWEP plan, which was then submitted in a demonstration proposal to HHS.

When the Omnibus Budget Reconciliation Act (OBRA) passed in August 1981, enabling welfare agencies to apply for WIN Demonstrations, the Department also submitted a WIN Demonstration plan. The Department

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proposed, first, to take over complete operation of the WIN Program (eliminating what remained of the Employment Service's role), and, second, to operate the CWEP program as its primary WIN component, enabling the Department to pay for CWEP administrative staff with 90-10 federal WIN funds. This was a critical decision, since states operating CWEP parallel to the regular WIN Program had to finance CWEP's administration through Title IV-A, the AFDC title of the Social Security Act. (Title IV-A provides an open-ended match of a welfare department's administrative expenses, but at only a 50-50 rate.)

The U.S. Department of Health and Human Services did not fund West Virginia's CWEP special demonstration proposal, but by the time this decision was announced, CWEP, under OBRA, was a permissible activity without special waivers. The state moved to implement CWEP immediately. By May 1982, over 2,000 AFDC-U recipients (some 40 percent of the state's AFDC-U caseload) were working in CWEP positions. Negotiations with the Department of Employment Security (the state's employment service) about the transition to a WIN Demonstration Program continued, and that demon- stration became operational in October of 1982. The Welfare Department, now the Department of Human Services, formed a Work and Training Division to administer both WIN Demonstration and CWEP activities.

As in other welfare agencies which are "state-administered" and not "state-supervised, county-administered," employees of the Work and Training Division are on the state payroll and report directly to central state officials. While this type of arrangement does not always guarantee uniform practice in local areas, this has been mostly the case in West Virginia.

In 1983, discussion began about expanding CWEP to AFDC mothers.5 In the past, few women had taken part in the array of mandatory programs run for men. Child-care considerations were one important reason. Generally, child care has been considered a mother's responsibility, and this view has been taken seriously in West Virginia, a relatively traditional state. Department staff believed that child-care needs would prohibit the high levels of participation for women in any program component. Second, the women's lack of prior job experience implied to Department staff that job transition strategies would be relatively less successful for mothers than for AFDC-U fathers. Additionally, the growth in AFDC-U caseloads had caused more concern in the state than the increased size of the AFDC rolls.

Despite these factors, state officials decided in 1983 that CWEP for AFDC recipients seemed reasonable, but only if the program were conceived in modest and less mandatory terms (with "less mandatory" meaning a wider latitude in granting exemptions from the participation requirement). For the first year of the program, area staffs could not draw on funds from the Social Services bloc grant (Title XX) to pay for CWEP participants' day care.

This factor also determined many of the guidelines for CWEP for mothers. Assignments would only be given to women with their own day-care arrangements, and these provisions would be reviewed by local staff to ensure that the children were not neglected or harmed. CWEP work schedules were restricted to school hours unless the mothers had arranged for after-school day care. Staff also expected participation would be diminished by children's illnesses and school vacations, particularly in the summer.

In May 1984, DHS began to provide day-care monies. The effect of this

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change during the summers of 1984 and 1985 varied by area.6

III. CWEP's Primary Purposes in West Virginia

According to the state's initial demonstration application, the primary purpose of CWEP for AFDC-Us was to improve the image of welfare and its recipients.7 As stated by Welfare Department leadership, a concrete aim was to persuade legislators to increase AFDC grant levels, which had not been changed for several years, by improving the image of the welfare system. (As it turned out, the monthly grant was increased; for a family of three, it went up from $206 to $249 in July 1985.)8 The Department's original proposal also pointed to the need for subsidized workers since, without CETA Public Service Employment, many public services had been curtailed. As the proposal stated: "This program will fill that gap."

Another stated objective was reducing the length of the recipient's stay on welfare, and, by implication, deterring some men from applying for aid. However, in reality, none of the senior officials who designed CWEP believed it would have a significant effect on the size of the rolls.9 Most state officials were convinced that the great majority of AFDC-U recipients did not like being on welfare but had no other choice, given the poor labor market. The AFDC-U problem was perceived as a lack of jobs -- not as a lack of recipients' motivation or skills.

This perception of welfare dependency was also evident in central staff's announcement of MDRC's "saturation" demonstration to the involved area administrators. A memorandum stated: "Effective upon receipt of this memorandum, you are authorized and encouraged to fill as many CWEP slots as you have AFDC-U recipients. From this point until further notification,

your AFDC-U caseload will be your CWEP allocation (as a part of our demonstration with MDRC)."[10] Unsubsidized job placement was not stressed; rather, the emphasis was on filling CWEP slots.

One of workfare's more general objectives in the OBRA environment -- helping recipients to improve their self-image and confidence by learning new skills -- was not given a high priority by West Virginia senior officials, at least as formulated in the original CWEP proposal for AFDC-U men. While agency leadership believed that working would help men keep their self-respect, it did not anticipate that CWEP positions would teach them new skills. Recipients of AFDC-U, by definition, had worked recently, and, in a time of recession, unemployed but experienced workers frequently applied for welfare in West Virginia after their Unemployment Insurance benefits had run out.

West Virginia's expectations help to explain another of CWEP's purposes in that state, one that can be inferred but is not stated explicitly in the proposal: AFDC-U men would be repaying the community for their welfare checks by working off their grants. This notion of social obligation was not perceived in the harsh or punitive sense. While Department officials believed it necessary to require participation, since work programs had not been around in the state for several years, the value of work was so deeply engrained in the state's culture that few men were expected to balk at accepting a work assignment. Department officials did not think that CWEP would be an unpopular program with welfare recipients.

Since many of these goals were a product of the state's environment, the next section describes West Virginia's economic situation during CWEP's implementation.

IV. Program Setting

As noted earlier, West Virginia is a rural state with a predominantly white population. Ranking second in the nation in total coal production, the state's economy is heavily dependent on the demand for energy. Since the 1979 recession, when the industry suffered severe setbacks, West Virginia's unemployment rate has always exceeded the national average, and was one of the highest during 1982 and 1983. Given this difficult labor market, it seemed unlikely that CWEP, in this environment, could increase the unsubsidized employment of welfare recipients.

Interviews and conversations with many Department of Human Services officials, both in the CWEP demonstration areas and the state capital, as well as interviews with CWEP participants and their worksite supervisors, help to highlight some of the demographic and labor market character- istics.[11] Caseworkers observed that, when the economy was bad (as it was in 1983), there were simply no jobs at all. Those out of work either waited out the recession or left the state.

Commissioner Ginsberg noted in an interview: "It's not all that unusual to be unemployed in this state, with our boom-and-bust history. People are used to seeing their neighbors unemployed." Department staff noted that the small-town character of much of the state and the high levels of poverty meant that if you were not poor, chances were very good that you grew up with people who were. In their view, welfare was not something people liked in a state with fairly traditional attitudes, but it was not uncommon, nor were government-subsidized jobs. Both were fairly long-standing and accepted responses to economic hard times.

Against this background, the areas analyzed in the West Virginia AFDC-U study were chosen to obtain a variety of labor markets, population densities and reliance on welfare. (See Figure 1.1.) Four areas (out of the state's 27) were given the resources to fill all CWEP slots possible, while four others -- restricted to placing 40 percent of the caseload -- were selected as comparison sites. Together, these demonstration areas encompassed some of the most urban and rural parts of the state, and, as of February 1983, contained cver one-third of the state's caseload. All AFDC-U recipients were eligible for inclusion in the research samples. The areas and their counties, by status in the demonstration, were:

Saturation Areas:

Huntington (Cabell and Mason Counties)

Martinsburg (Berkeley, Jefferson, and Morgan Counties)

Parkersburg (Wirt and Wood Counties)

Princeton (Mercer and Summers Counties)

Comparison Areas:

Clarksburg (Doddridge and Harrison Counties)

Fairmont (Marion and Monongalia Counties)

Fayetteville (Fayette County)

Grafton (Barbour, Preston, and Taylor Counties)

The AFDC CWEP study was also conducted in these and one additional area: Wheeling, which contains Brooke, Hancock, Marshall and Ohio Counties.

The characteristics of residents in the study areas are shown in Table 1.1, while the major industries in each area are indicated in Table 1.2. For contextual purposes, each table also presents statistics for the state as a whole, as well as national statistics.

FIGURE 1.1

STATE OF WEST VIRGINIA
DEPARTMENT OF HUMAN SERVICES ADMINISTRATIVE AREAS
PARTICIPATING IN THE AFDC-U SATURATION AND AFDC DEMONSTRATIONS

ADMINISTRATIVE AREAS[a]

AFDC-U Saturation Areas[b]
5 - Martinsburg
6 - Parkersburg
12 - Huntington
27 - Princeton

AFDC-U Comparison Areas[b]
3 - Fairmont
8 - Clarksburg
9 - Grafton
22 - Fayetteville

AFDC Demonstration Area[b]
1 - Wheeling
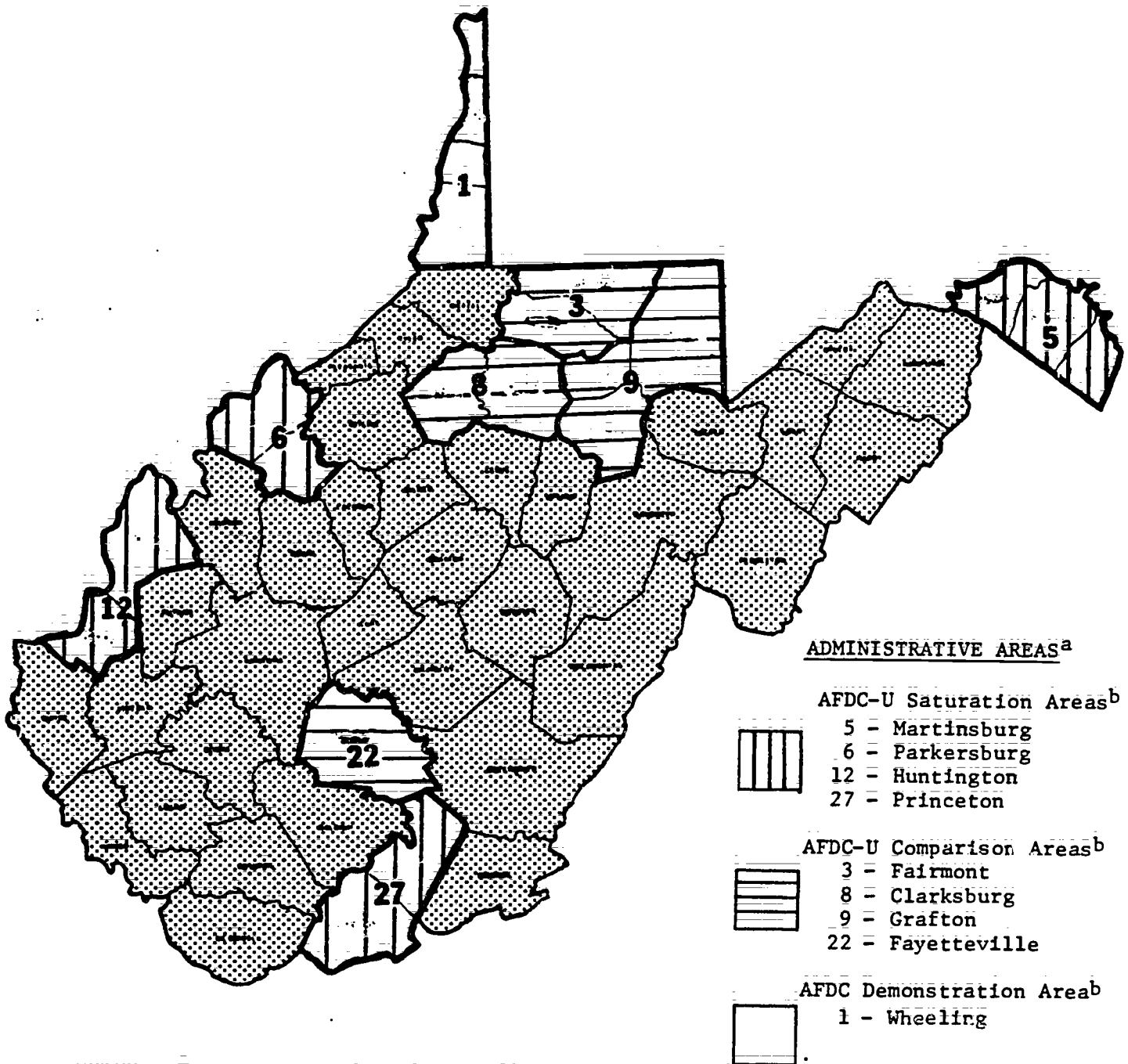
NOTES: [a]Areas are numbered according to the designation of the 27 administrative areas of the Department of Human Services. Counties within those areas are indicated. Area names correspond to the city in which the Department maintains its principal office.

[b]All areas participate in the AFDC demonstration. Wheeling does not participate in the AFDC-U demonstration.

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TABLE 1.1

WEST VIRGINIA

SELECTED DEMOGRAPHIC CHARACTERISTICS OF THE STUDY AREAS, IN 1980

Administrative Area and County	1980 Population[1]	Percent White 2/a	Percent Urban 3/b	Population Per Square Mile 4	Percent of Families Below Poverty Level 5/c	Percent of Persons 25 Years or Older With at Least Four Years of High School[6]
Huntington	133,880	85.5	60.2	187.2	13.1	57.2
Cabell	106,835	94.6	70.1	378.5	13.6	61.6
Mason	27,045	98.7	21.0	62.5	11.6	52.7
Martinsburg	87,788	83.8	18.1	115.4	14.3	55.5
Berkeley	46,775	95.2	27.9	145.5	14.6	55.9
Jefferson	30,302	90.1	9.4	144.8	13.3	56.7
Morgan	10,711	98.4	0.0	46.6	15.7	54.0
Parkersburg	88,549	98.6	63.5	80.5	11.7	58.4
Wirt	4,922	98.9	0.0	20.9	14.5	51.7
Wood	93,627	98.6	66.9	254.9	11.5	65.1
Princeton	89,817	92.0	34.4	118.2	17.2	50.7
Mercer	73,942	92.1	35.6	175.9	15.5	53.2
Summers	15,875	91.2	29.1	44.9	25.6	46.1
Clarksburg	85,143	97.1	40.8	115.4	15.7	58.3
Doddridge	7,433	99.7	0.0	23.2	24.1	51.8
Summers	77,710	96.8	44.7	186.5	15.0	60.7
Fairmont	140,813	85.4	42.2	208.6	11.8	64.0
Marion	65,789	85.2	40.8	211.1	13.9	61.6
Monongalia	75,024	85.6	43.3	206.9	9.9	66.2

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(continued)

TABLE 1.1 (continued)

Administrative Area and County	1980 Population[1]	Percent White 2/a	Percent Urban 3/b	Population Per Square Mile 4	Percent of Families Below Poverty Level 5/c	Percent of Persons 25 Years or Older With at Least Four Years of High School[6]
Fayetteville	57,863	91.4	18.1	88.8	18.7	48.7
Fayette	57,863	91.4	18.1	85.8	18.7	48.7
Grafton	63,683	98.3	20.2	54.5	18.5	51.9
Barbour	16,639	98.4	18.2	48.5	21.8	49.3
Preston	30,460	98.4	9.5	46.8	17.1	50.4
Taylor	16,584	98.0	41.3	95.5	16.0	56.1
Wheeling	174,532	96.9	63.8	288.3	10.5	62.7
Brooke	31,117	98.7	50.9	345.8	9.7	62.7
Hancock	40,418	96.3	59.8	479.2	7.9	62.1
Marshall	41,608	98.0	51.8	136.3	9.7	60.7
Ohio	61,389	95.8	81.5	580.6	13.5	65.4
Total West Virginia	1,949,644	95.6	36.2	80.8	15.1	56.0
Total United States	226,545,805[d]	79.6	73.7	64.0[e]	13.2	68.6

SOURCES: 1. General Social and Economic Characteristics, West Virginia, 1980 Census of Population, U. S. Department of Commerce, Bureau of the Census, Table 56: Summary of Social Characteristics; and Statistical Abstract of the United States, 1984, U.S. Department of Commerce, Bureau of the Census, Table 5: Population and Land Area.

2. General Social and Economic Characteristics, West Virginia, Table 59: Persons by Spanish Origin, Race and Sex; and General Population Characteristics, United States Summary, 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census, Table 39: Total Persons and Spanish Origin Persons, by Type, Race, and Sex.

3. Calculated from 1980 Income, Education and Labor Force Characteristics of West Virginia, West Virginia, State Census Data Center; Governor's Office of Economic and Community Development, Office of Health Services Research, West Virginia State Library Commission 1983: Urban and Rural Population, page 7; and Statistical Abstract of the United States, 1984, Table 25: Urban and Rural Population.

(continued)

TABLE 1.1 (continued)

4. <u>Number of Inhabitants</u>, West Virginia, 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census, Table 2: Land Area and Population; and <u>Statistical Abstract of the United States</u>, 1984, Table 1: Population and Area.

5. <u>General Social and Economic Characteristics</u>, West Virginia, Table 181: Poverty Status in 1979 of Families and Persons for Counties, Table 72: Poverty Status in 1979 of Families and Persons; and <u>General Social and Economic Characteristics</u>, U.S. Summary, 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census, Table 97: Poverty Status in 1979 and 1969 of Families and Persons by Race.

8. <u>General Social and Economic Characteristics</u>, West Virginia: Table 175: Educational Characteristics for Counties; Table 68: Educational Characteristics; and <u>Population Profile of the United States</u>, 1982, U.S. Department of Commerce, Bureau of the Census, Table 18: Years of School Completed by Persons 25 Years Old and Over by Age, Sex, Race and Spanish Origin.

NOTES: [a] Excludes persons of Spanish origin.

[b] The U.S. Census Bureau defines urban as: all persons living in urbanized areas and in places of 2,500 or more inhabitants outside urbanized areas.

[c] Percentages are for families below poverty level with related children under 18 years of age.

[d] Resident population.

[e] Conterminous United States.

TABLE 1.2

WEST VIRGINIA

PERCENTAGE DISTRIBUTION OF EMPLOYED PERSONS IN STUDY AREAS

Administrative Area and County	Percent of Labor Force, by Industry								
	Agricul- ture and Forestry	Mining	Con- struct- tion	Manu- fac- turing	Trans- porta- tion, Communi- cation[a]	Whole- sale/ Retail Trade	Finance Insur- ance/ Real Estate	Services	Public Admin- istra- tion
Huntington	1.2	1.2	7.5	21.8	10.5	21.0	3.9	28.9	3.9
Cabell	0.6	0.8	6.8	21.4	9.7	22.8	4.1	30.0	4.1
Mason	3.7	3.0	10.1	24.0	14.2	14.4	3.0	24.2	3.4
Martinsburg	4.3	1.5	8.3	22.4	8.8	17.7	3.8	28.8	6.8
Berkeley	3.3	0.8	7.0	26.4	6.9	19.8	4.0	28.1	5.8
Jefferson	6.2	1.0	8.3	16.8	5.7	15.5	3.0	34.0	8.6
Morgan	2.8	5.9	11.3	20.5	9.6	15.8	3.6	24.1	6.3
Parkersburg	0.7	0.8	7.7	29.0	6.6	19.4	4.4	25.1	6.1
Wirt	3.9	2.6	10.8	34.7	6.6	10.8	3.1	13.5	7.8
Wood	0.6	0.9	7.5	28.2	6.5	21.1	4.4	25.0	5.9
Princeton	1.5	10.8	7.3	10.5	10.3	22.3	3.8	29.2	4.8
Mercer	1.3	11.7	6.5	11.4	9.7	22.0	4.1	29.2	4.0
Summers	2.9	3.1	10.8	14.7	12.1	21.4	2.0	26.1	7.2
Clarksburg	1.0	8.9	7.3	17.0	10.8	22.7	3.9	25.9	4.4
Doddridge	4.5	6.9	10.9	20.2	10.9	14.2	2.6	24.5	5.1
Harrison	0.7	6.9	7.0	16.7	10.8	23.4	4.2	26.0	4.3
Fairmont	0.8	12.1	5.5	13.4	6.1	18.1	3.3	35.4	4.2
Marion	0.6	15.7	5.8	18.5	7.8	21.0	3.7	23.4	3.4
Monongalia	1.0	9.3	5.2	9.3	4.8	17.7	2.9	44.8	4.9

TABLE 1.2 (continued)

Administrative Area and County	Percent of Labor Force, by Industry								
	Agriculture and Forestry	Mining	Construction	Manufacturing	Transportation, Communication[a]	Wholesale/Retail Trade	Finance Insurance/Real Estate	Services	Public Administration
Fayetteville	0.8	20.1	8.6	10.1	7.4	18.3	3.4	25.8	5.4
Fayette	0.8	20.1	8.6	10.1	7.4	18.3	3.4	25.9	5.4
Grafton	3.8	18.4	7.5	14.4	8.9	17.0	2.8	24.8	4.8
Barbour	4.1	23.0	7.7	8.8	5.1	13.8	2.1	30.8	4.6
Preston	3.7	18.5	7.8	14.2	9.4	17.3	2.8	23.1	3.4
Taylor	3.0	6.3	8.9	20.2	11.8	19.7	2.8	22.3	7.5
Wheeling	0.7	4.5	5.3	30.5	8.3	18.8	3.8	28.5	3.5
Brooke	0.8	3.9	4.7	42.8	5.2	14.3	3.4	22.7	2.5
Hancock	0.8	1.0	2.8	48.7	4.7	13.9	2.3	23.4	2.3
Marshall	1.1	9.3	7.1	25.1	7.8	18.5	3.6	23.5	4.2
Ohio	0.5	4.2	5.9	16.7	7.0	24.3	5.0	32.1	4.4
Total West Virginia	1.8	10.0	7.6	18.4	8.1	18.3	3.5	28.3	5.1
Total United States	3.6	1.0	6.3	22.1	8.6	20.3	8.0	28.8	5.4

SOURCES: General Social and Economic Characteristics, West Virginia, 1980 Census of Population; U.S. Department of Commerce, Bureau of the Census, Table 178: Industry of Employed Persons for Counties; and Statistical Abstract of the United States, 1984, U.S. Department of Commerce, Bureau of the Census, Table 698: Employment by Industry.

Unpublished statistics from West Virginia Department of Employment Security, Labor and Economic Research Section.

NOTES: Distributions may not add exactly to 100.0 percent because of rounding.

[a] Includes other public utilities.

Table 1.1 indicates that the nine areas are relatively similar to each other and to the state in ethnic composition and in the proportion of the adult population completing at least four years of high school. The areas differ from the state in other dimensions, however, tending to be more urban, with a greater population density. The areas vary in the proportion of families with children living below the poverty level, with a range of from 10 to 19 percent.

Table 1.2 shows the distribution of the employed population by industry in April 1980. In the study areas, the proportions of individuals in specific industry categories parallel those of the state. However, some areas, particularly the saturation areas, are underrepresented in their share of miners. Additionally, a large proportion of residents are employed in manufacturing in Wheeling and Parkersburg.

V.   Evaluation Design

MDRC's evaluation in West Virginia has three analyses: process, impact and benefit-cost. The following sections briefly describe these studies.

A.   The Process Analysis

The process analysis examines the operations of West Virginia's CWEP program for both the AFDCs and AFDC-Us and identifies the factors that facilitated or constrained implementation. The analysis has two main parts. The first describes the content and administration of the program model, highlighting the major activities and management procedures. Most of this line of inquiry was pursued in the first report.

The second part tracks and explains the movement of AFDCs and AFDC-Us through the program, examining the participation rates of a larger sample followed for a longer period, as compared to the analysis in the first report. Certain critical questions are also addressed for the first time: what proportions of the AFDC and AFDC-U caseload remained registered with the program but did not participate; and the extent to which participants worked in their CWEP jobs during their welfare tenure.

B. The Impact Study

Given the different types of questions of interest for the two populations, different types of research designs were chosen to study the men and women.

1. AFDC Design. Since AFDC recipients had not for the most part previously participated in other of West Virginia's mandatory work programs, the key research questions for the AFDC study centered on whether the program would have impacts on recipients' earnings, employment or welfare receipt and payments. No attempt was made to test the feasibility of implementing a work obligation for the full caseload.

To estimate impacts (or program effects), an experimental design was implemented whereby AFDC recipients were randomly assigned to either an experimental group, whose members were eligible to participate in CWEP, or a control group, in which members were not assigned to CWEP. (Both groups were eligible for employment and training activities other than CWEP but, as noted, these services were limited in West Virginia.) Impacts were estimated by comparing the welfare and employment experiences of the experimental and control groups over time. (Since random assignment usually ensures that experimental and control members are similar in all

characteristics except services received, any statistically significant differences in the groups' experiences should have resulted from differences in program treatment: that is, the availability of CWEP.)

The experimental design allowed the following questions to be addressed for the AFDC group: Did CWEP have impacts on enrollees' employment and earnings, receipt of welfare or the size of their benefit checks? Did the impacts vary across different subgroups -- for example, between people WIN-mandatory for some time (prior registrants) and people newly-determined WIN-mandatory (new registrants)? Did they differ by degree of disadvantage: i.e., those with and without prior employment?

However, measuring impacts in a program with an ongoing participation requirement is somewhat problematic. Since recipients in West Virginia are supposed to work in a CWEP job for as long as they are receiving welfare, there could be no post-program follow-up on those who were still on welfare and working in CWEP at the end of this study. In fact, a substantial share of CWEP participants were still at their work assignments at the conclusion of data collection. Thus, CWEP's full potential to affect job retention or earnings, once an individual is off welfare, is not completely reflected in this analysis. For this reason, the impacts over a longer follow-up period could be more positive or negative.

2. AFDC-U Design. The key focus of the AFDC-U demonstration was to test the feasibility of implementing CWEP on a large scale: i.e., placing as many AFDC-Us as possible into CWEP positions. Since all of the AFDC-U caseload was eligible, the designation of a control group -- i.e., a group of individuals not eligible for CWEP -- would have interfered with the area-wide saturation goal of the demonstration. Instead, therefore, a

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comparison design was selected that tested the incremental effects of increasing available CWEP slots to serve a larger share of the caseload, as compared to a more limited share (no more than 40 percent, which was roughly the norm in the rest of the state).

Four administrative areas were selected to implement the full caseload saturation initiative. Four other areas, with only normal resources, were asked to limit participation to 40 percent, and would serve as comparison s' 'es. Although this desig' v~ less rigorous than an experimental one, some information could be obtained about CWEP effects on an incremental basis by comparing the welfare and employment outcomes of the registrants in the four saturation areas to those of registrants in the four comparison areas. (In contrast, the AFDC impact design measured the effects of _some_ exposure to CWEP versus _no_ exposure by means of randomly assigned experimental and control groups within the same geographical areas.)

As will be discussed in Chapter 3, from the outset of the demonstration it was realized that the results from any evaluation of the AFDC-U CWEP saturation model which was considered without an experimental or random assignment design, would not be as reliable. Although the designation of a control or non-research gr~ ip in each area would have diluted the program's intent, the matching of administrative areas was very difficult. Despite careful procedures, there wer inevitable differences in the economic characteristics of the areas and, hence, demographic differences in the characteristics of the caseloads. Statistical techniques were used in this report in an attempt to correct these differences but they could not adjust for all of them. Thus, any observed differences in outcomes between the saturation and comparison group sample members may partly

reflect differences in the characteristics of the areas. This limitation should be kept in mind in interpreting the AFDC-U impact results.

However, the fact that both the AFDC and AFDC-U groups studied represent all of the WIN-mandatory caseload makes this state one of particular interest in MDRC's Demonstration of State Work/Welfare Initiatives.

C. The Benefit-Cost Analysis

This study assesses the net costs and benefits of CWEP as it was operated for the two groups. In the overall analysis, net benefits come from the value of the work performed by CWEP participants, as well as any increases in earnings and reductions in welfare and other transfer program payments -- both those observed in the study period and those estimated over a total period of five years after research entry. Benefits and costs are analyzed from several points of view -- that of the welfare recipient sample, the government budget, taxpayers (i.e., everyone except the welfare recipients) and society as a whole.

VI. The AFDC and AFDC-U Research Samples

The interim report focused on the 1,307 AFDCs random assigned to the experimental group from July through November 1983, and 1,615 AFDC-Us -- either those who were already registered with WIN in the saturation areas as of March 1983, or those who registered in these areas between March and June 1983.

This final report extends the intake period for both samples to April 1984, and also includes in the analysis the AFDC control and AFDC-U comparison area registrants. The full AFDC sample consists of 1,853 experimentals and 1,841 controls. A total of 5,630 AFDC-Us -- 2,798 in the saturation

areas and 2,832 in the comparison areas -- make up the AFDC-U sample.

VII. The Current Report

The report is organized as follows. Part I contains two chapters: this one and Chapter 2, discussing the nature of the CWEP jobs for both the AFDCs and AFDC-Us as well as participants' and their supervisors' views of the value of work and participants' attitudes about the work-for-benefits requirement.

The balance of the report is divided into two more parts. Part II presents the findings of the CWEP study for women, while Part III contains the evaluation of CWEP for men. The first chapter of each part (Chapters 3 and 7) describes the research-design, sample and data sources; the second (Chapters 4 and 8) considers the different participation patterns; while the third (Chapters 5 and 9) analyzes impacts. The fourth chapter (Chapters 6 and 10) discusses the benefits of the program relative to its costs for each group.

CHAPTER 2

CWEP WORK ASSIGNMENTS: PARTICIPANT AND SUPERVISOR PERCEPTIONS

Parts II and III of this report present answers to some of the feasibility questions about CWEP for the AFDC and AFDC-U groups -- i.e., scale and participation, which in part explain how willing recipients were to take part in a mandatory program. The analysis in this chapter addresses another set of questions: What happened on the worksites, and how did participants view the experience?

Overall, this chapter examines issues of job quality, participants' productivity and their attitudes toward a work obligation. It does so by drawing on the responses of 94 CWEP participants (60 men and 34 women) and their worksite supervisors to a survey questionnaire administered in all six MDRC demonstration states with work experience components. The findings presented here are the same ones discussed in the first West Virginia report -- at the time the worksite study was completed. However, because of the importance of the CWEP worksite experience in West Virginia, the discussion is included in this final volume.

The following questions are the main focus:

● What kinds of jobs were assigned to CWEP participants?

● How important was the job to the agency? Was it make-work or a valuable contribution?

● What skills were important in the jobs, and what skills levels did participants bring to the job? How much did they improve their skills on the job?

● How satisfied were supervisors with the participants' work, and how did their performance and productivity compare with

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those qualities in other workers?

- How satisfied were participants with the work requirement and their CWEP jobs?

Each of these questions is addressed in turn in the sections that follow. Findings about jobs, participant performance and attitudes will be presented separately for the men and the women who, in all but four cases of female AFDC-U recipients, corresponded to the AFDC-U and AFDC assistance categories. (Males were excluded from the AFDC research sample, as explained in Chapter 3.) The chapter opens with a brief discussion of the types of jobs assigned to CWEP participants.

I. Types of Jobs and Sponsoring Agencies

With a few notable exceptions, nearly every type of local public and nonprofit agency sponsored CWEP participants, although local school districts were underrepresented, to the disappointment of staff in several area offices. Staff in the more rural counties commented that schools were sometimes the only public agencies geographically close to the homes of very rural clients, and that these jobs made sense for recipients, particularly AFDC mothers. While a few areas were able to develop school positions, others encountered resistance, partly because staff believed there were negative attitudes about welfare recipients working with children.

Also not represented among state agency sponsors was the Department of Highways, which had earlier provided positions for AFDC-U recipients in the Community Work and Training program. That department had undergone layoffs, and central office staff concluded it should not be approached for

CWEP placements.

Table 2.1 profiles the positions held by CWEP participants according
to types of agencies, while Table 2.2 shows the distribution by level of
government for participants working in public agencies. These tables were
compiled from data on all work sponsors and CWEP participants during the
month of April 1984 in the eight AFDC-U demonstration areas (both
saturation and comparison) and the nine AFDC demonstration areas. Table
2.1 shows that a higher proportion of women than men worked for nonprofit
agencies, where they provided general clerical support, assistance to the
elderly, child care and similar kinds of services.

The types of jobs held by CWEP participants in April 1984, using the
same data source, are displayed in Table 2.3. Men (just over half) worked
in low-skilled janitor/porter, outdoor grounds maintenance, and garbage
collector/refuse disposal positions. Another 200 of the 1,271 men held
somewhat higher-skilled construction jobs, many in home weatherization for
the disadvantaged (under the auspices of community action agencies), or in
work related to the installation and repair of water lines for local public
service districts. Women held different types of positions; some 40
percent filled clerical jobs, generally low-skilled, and another one-third
had service jobs, primarily in food services. One-fifth held positions as
housekeepers.

The distribution of CWEP assignments for the 94 participants in the
study sample, shown in Table 2.4, reflects the same overall pattern.
Typical assignments included the following:

-- A woman works as an office aide in a community nonprofit
   agency, keeping records, answering the phone and greeting
   people.

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TABLE 2.1

WEST VIRGINIA

NUMBER OF CWEP PARTICIPANTS AND WORK SPONSORS, BY AGENCY SECTOR AND TYPE

Agency and Sector Type	Number of Participants		Number of Sponsors
	AFDC-U	AFDC	
Public Sector Agencies			
State Armories[a]	12	0	7
Public Works	566	48	70
Utilities/Sanitation	58	1	12
General Administration	115	24	17
Parks/Recreation	122	6	33
Protective Services	32	3	22
Social Services	23	26	8
Transportation	11	7	1
Housing	51	5	9
Culture/Arts	8	7	5
Education	124	31	12
Health	94	24	8
Miscellaneous[b]	51	3	5
Total[c]	1257	179	210
Non Profit Agencies			
Youth Services	8	6	6
Parks/Recreation	10	0	1
Multi-Service Organizations	88	29	20
Senior Citizen Services	48	27	15
Social Services	62	28	22
Employment/Training	21	2	5
Housing	11	7	3
Education	14	10	13
Culture/Arts	3	1	3
Health	26	7	13
Volunteer Fire Departments	33	3	12
Miscellaneous/Unclassifiable[d]	18	3	8
Total	342	126	121

SOURCE: Numbers compiled from work sponsor contracts maintained by the West Virginia Department of Human Services in the nine demonstration areas.

NOTES: For the purposes of this table, participants are defined as those individuals who were working at CWEP worksites on April 30, 1984.

[a] Includes National Guard facilities.

[b] Includes juvenile detention center and state agriculture experimental stations.

[c] The discrepancy between the number of participants cited as working in public sector agencies and the sample in Table 2.2 is due to missing data.

[d] Includes improvement association, historical association, public country club, child care agency, farmers markets and cemeteries.

=29=   78

TABLE 2.2

WEST VIRGINIA

NUMBER OF CWEP PARTICIPANTS WORKING IN GOVERNMENT AGENCIES
AND NUMBER OF WORK SPONSORS, BY LEVEL OF GOVERNMENT

| Level of Government | Number of Participants | | Number of Sponsors |
	AFDC-U	AFDC	
Local School Districts	72	25	6
Villages	4	0	2
Towns	157	9	35
Cities·	449	43	70
City-County	23	2	4
Counties	147	22	23
State	316	71	80
Total[a]	1168	172	220

SOURCE: Numbers compiled from work sponsor contracts maintained by the
West Virginia Department of Human Services in the nine demonstration areas.

NOTES: For the purposes of this table, participants are defined as those
individuals who were working at CWEP worksites on April 30, 1984.

[a]The discrepancy between the number of participants cited as
working in public sector agencies in Table 6.1 and the sample in the above table
is due to missing data.

TABLE 7.9

WEST VIRGINIA

DISTRIBUTION OF AFDC-U AND AFDC OWEP PARTICIPANTS ON APRIL 30, 1984,
BY JOB CLASSIFICATION

Job Classification	AFDC-U		AFDC	
	n	%	n	%
Clerical Jobs		1.9		41.1
General Office Clerk, Mail Clerk, File Clerk	18		59	
Stock Clerk, Record Clerk	3		36	
Receptionist, Appointment Clerk	2		10	
Miscellaneous Clerk	0		10	
Service Jobs		11.0		29.3
Housekeeper, Launderer	18		17	
Kitchen Helper, Diet Aide, Hospital Aide	34		43	
Warehouse Worker	63		0	
Miscellaneous Services b	25		22	
Indoor/Outdoor Maintenance		47.8		18.9
Groundskeeper	137		2	
Janitor/Porter	282		51	
Sewage and Refuse Disposal	189		0	
Construction		30.8		7.1
Weatherization, Building Repair, Road Repair	308		17	
Water Line Construction and Maintenance	45		3	
Carpenter's Helper	39		0	
Miscellaneous Jobs		8.4		.. :
Agriculture and Forestry	74		1	
All Others	33		9	
Total	1271	100.0	280	100.0

SOURCE: MDRC calculations from case files maintained by the Work and Training
Division, West Virginia Department of Human Services.

NOTES: For the purpose of this table, participants are defined as those
individuals who were working at OWEP worksites on April 30, 1984.

Job classifications are based on the U. S. Department of Labor's
occupational titles, from the Dictionary of Occupational Titles, fourth edition,
1977.

Distributions may not add exactly to 100.0 percent because of
rounding.

a Includes cashier, teller, and miscellaneous clerical occupations.

b Includes child care, dispatcher, counselor, parking attendant,
steward, barber, practical nurse, recreational facility attendant, and miscellaneous
personal services.

c Includes protective services, truck driver, bus and ambulance driver,
graphic artist, miscellaneous manufacturing occupations, and miscellaneous transpor-
tation occupations.

TABLE 2.4

WEST VIRGINIA

PERCENTAGE DISTRIBUTION OF SAMPLED CWEP PARTICIPANTS, BY JOB CLASSIFICATION AND SECTOR OF WORK SPONSOR

Characteristic	Male Participants	Female Participants
Job Classification		
Clerical	5.0	32.4 [***]
Service	11.7	47.1
Indoor/Outdoor Maintenance	53.3	11.8
Construction	26.7	5.9
Miscellaneous[a]	3.3	2.9
Total	100.0	100.0
Sector of Work Sponsor		
Public Agency	86.7	61.8 [**]
Private Non-Profit Agency	13.3	38.2
Total	100.0	100.0
Total Number of Sampled CWEP Participants	60	34

SOURCE: Interviews conducted by MDRC Field Research Staff between July 1983 and March 1984 with a random sample of participants in CWEP jobs and their worksite supervisors.

NOTES: Job classifications are based on the U.S. Department of Labor's occupational titles, from the <u>Dictionary of Occupational Titles</u>, fourth edition, 1977.

Distributions may not add exactly to 100.0 percent because of rounding.

[a] Includes agriculture, forestry and packaging.

A chi-square test was applied to male-female differences. Statistical significance is indicated at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

A significance level shown in brackets means that the overall distribution of the set of characteristics is significantly different between the two groups, at the level of significance indicated.

-- A woman is working as a secretary in a community nonprofit agency, typing records, filing and bookkeeping.

-- A woman assists at a community action agency in preparing and serving food to senior citizens.

-- A group of men are working on weatherization crews for a community action agency, hanging storm windows and putting in insulation in the homes of economically disadvantaged families.

-- A group of men assigned to a city public works department sweep streets, dig ditches, load garbage, fix flat tires, repair potholes, and perform other maintenance work.

-- A man reads water meters, assists in their installation, and performs repair and maintenance on water lines for a local public service district.

One indicator of the level of skills required in a job is the wage rate it normally commands in the labor market. According to supervisors, 70 percent of the job assignments would have paid the minimum wage ($3.35 per hour). Another 16 percent were rated as paying between the minimum wage and $4.00 per hour, while only 6 percent would have paid more than $5.00 an hour.

The typical CWEP schedule for men (over three-fourths of the worksite sample) was full-time work during the first two or last two weeks of the month. Although half of the women also worked a similar schedule, the others (45 percent) worked part-time all four weeks. This corresponded to the program's AFDC emphasis that women work during school hours, which often prevented eight-hour work days.

II. Importance of the Work to Sponsoring Agencies

The low skills levels of many CWEP positions did not necessarily mean that the jobs were "make-work," a term which usually implies that the work

has no particular importance to the agencies. When supervisors and participants were asked to choose from a series of statements describing the value of the work to the agency, the majority of assignments were described as a "necessary part of the day-to-day business of the agency." (See Table 2.5.)

Participants were more likely to say their work was necessary than were their supervisors, even though the overall distribution of resp ses for both groups appeared similar. This is because participants' and supervisors' responses did not always match in pairs: that is, individual participants who rated their jobs as necessary did not always have supervisors who also rated the jobs that way. Conversely, when a participant ranked a job as merely helpful, the supervisor may have considered the work more necessary.

Certain factors influenced the supervisors' answers and not participants' -- the most notable being whether the agency was public or nonprofit. Supervisors in nonprofit agencies, which were understaffed and especially hard-hit by the termination of the CETA's Public Service Employment program, rated participants' jobs as more important than did public agency supervisors.

Although the majority of assignments for both men and women were called necessary, there was a tendency for women and women's supervisors to describe their work as more important to the agency. Two factors may have contributed to this. First, women were more likely to work in the hard-pressed nonprofit agencies than men. Second, they tended to work in offices where they interacted directly with supervisors and were involved in the every-day functioning of the agency. Many also performed service-

TABLE 2.5

WEST VIRGINIA

PERCENTAGE DISTRIBUTION OF WORKSITE SUPERVISORS' AND PARTICIPANTS'
CHARACTERIZATION OF CWEP JOBS IN TERMS OF IMPORTANCE TO THE AGENCY

Degree of Importance	Male Participants	Female Participants
Supervisors' Perception		
Necessary Work	60.0	79.4 [*]
Work Can Wait, But Eventually Needs to be Done	30.0	8.8
Helps if Work is Done	10.0	11.8
Work is Not Particularly Important to Agency	0.0	0.0
Total	100.0	100.0
Participants' Perception		
Necessary Work	76.7	88.2[a]
Work Can Wait, But Eventually Needs to be Done	10.ᵃ	11.8
Helps if Work is Done	1ᶜ	0.0
Work is Not Particularly Important to Agency	0.	0.0
Total	100.0	100.0
Total Number of Sampled CWEP Participants	6J	34

SOURCE: Interviews conducted by MORC Field Research Staff between July 1983 and March 1984 with a random sample of participants in CWEP jobs and their worksite supervisors.

NOTES: Distributions may not add exactly to 100.0 percent because of rounding.

[a] Chi-square test inappropriate owing to low expected cell frequencies.

A chi-square test was applied to male-; male differences. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

A significance level shown in brackets means that the overall distribution of the set of characteristics is significantly different between the two groups, at the level of significance indicated.

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related tasks needed on a daily basis: e.g., housekeeping, where food must be served every day. Many of the men, on the other hand, performed maintenance or manual labor functions. While this work is important, it may be considered less pressing on a day-to-day basis.

As another measure of the value of work, supervisors were asked if the tasks currently assigned to participants would be carried out if there were no longer a CWEP program. Only five answered that the work would no longer be done. The 89 supervisors who said the tasks would be continued were asked who would do them. (They could give more than one response.) Existing regular employees were mentioned most often (by 53 supervisors), indicating that the work was important enough to do at the cost of increasing workloads, but not so demanding that it would overwhelm current staff. Volunteers and other subsidized workers were also mentioned (by 20 and 17 supervisors, respectively), reflecting the tight funding in many of these agencies. The least common answer was hiring new regular employees (the response of seven supervisors), which again indicates the prevailing budget constraints.

III. <u>Productivity: CWEP Participants as Compared to Other Subsidized Workers and Regular Employees</u>

Another way to consider the importance of CWEP work is to examine the participants' relative productivity. If participants produce very little work in the course of a day compared to new employees in comparable positions or to other subsidized workers previously holding the job, their work may be "non-work," rather than "make-work."

Supervisors were asked to compare the amount of work the participant

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did in a typical day to the amount performed by a new regular employee. Supervisors were offered a range of choices, from one-tenth as much to the same amount. The possibility that the participant did more than a new regular employee was not offered as a choice, but it was recorded if the supervisor volunteered it. More than half of the supervisors rated the participants as doing the same amount, and over 20 percent volunteered that participants did more work than a new employee. It should be noted, however, that bias is possible: in some cases, a high rating might reflect a comparison between a new regular employee and an experienced CWEP participant, one who had already been working for several months in that job.

In fact, some of the participants were experienced in worksite jobs. At the point when these interviews were held, participants' average time on the job was 13 weeks for the women and 35 weeks for the men.[1] The men's average, however, obscures a very wide distribution: 16 percent had been on the job less than two months, 16 percent for two to four months, and 9 percent for four to six months. At the higher end of the scale, 6 percent had been working for 14 to 18 months, and 7 percent for 18 to 20 months. There were no significant differences between men and women in supervisors' ratings of their performance compared to regular workers, despite different lengths in their tenure.

The 44 supervisors who had previously overseen adult participants in other government programs (in most cases, CETA PSE) were asked to compare CWEP participants to those workers and rate their job performance, attendance, behavior, job skills and maturity as the same, better or worse. The responses are presented in Table 2.6. For men, the two ratings selected most frequently were "the same" (behavior, attendance and maturity) or

TABLE 2.6

WEST VIRGINIA

SUPERVISOR COMPARISON OF CWEP PARTICIPANTS
TO PARTICIPANTS FROM OTHER SUBSIDIZED WORK PROGRAMS,
IN TERMS OF SELECTED CHARACTERISTICS

Characteristic Being Compared	Percentage Distribution of Supervisors by Response:[a]			
	CWEP Participants Better	Same	CWEP Participants Worse	Total
Male Participants				
Job Performance	48.1	40.7	11.1	100.0
Attendance	37.0	40.7	22.2	100.0
Behavior	33.3	51.9	14.8	100.0
Job Skills	51.9	37.0	11.1	100.0
Maturity	29.6	63.0	7.4	100.0
Overall	51.9	48.1	0.0	100.0
Female Participants				
Job Performance	29.4	58.8	11.8	100.0
Attendance	29.4	47.1	23.5	100.0
Behavior	47.1	35.3	17.6	100.0
Job Skills[c]	18.8	50.0	31.3	100.0
Maturity	17.6	58.8	23.5	100.0
Overall	47.1	47.1	5.9	100.0

SOURCE: Interviews conducted by MORC Field Research Staff between July 1983 and March 1984 with worksite supervisors of a random sample of participants in CWEP jobs.

NOTES: Distributions may not add   ct   to 100.0 percent because of rounding.

[a] Only supervisors who had previously supervised adult subsidized workers in a government program other than CWEP were asked to make a comparison. Responses were collected from only 44 of the 84 supervisors. Twenty seven of these responses were in reference to male participants and seventeen responses were in reference to female participants.

[b] All three comparative terms were presented as response choices for each type of work habit or skill. For example, "Have you found that CWEP workers are better, about the same or worse than those other workers in terms of job performance?"

[c] Missing one response.

"better" (job performance and job skills). Asked for an overall judgment, none rated CWEP participants worse.

Supervisors' judgments of the women were similar. The AFDC mothers were more frequently "better" in terms of behavior, the "same" or "better" in performance and attendance, but the "same" or "worse" in job skills and maturity. The only significant difference between men and women was in job skills, where 52 percent of the men were rated "better" compared to only 19 percent of the women.

The responses above present a picture of work assignments as necessary to the agencies' functioning and not make-work positions. Given that these jobs made real contributions to the agencies, it is natural to ask if they were of value to the participants. The next section discusses the potential of skills development for participants and how much took place in these CWEP jobs.

IV. Skills Development

Work experience programs are typically expected to help participants gain general work skills, such as good work habits, and to teach them how to interact with co-workers and supervisors.[2] These might be called job-holding skills in contrast to more specific occupational skills, which are not usually taught in work experience programs. The job-holding skills of participants are the primary focus of this study.

Supervisors were asked about two groups of skills -- cognitive and general working skills -- and which of several specific skills in each grouping were important for the job in question. Additionally, as a very rough proxy of job complexity, supervisors were asked which kinds of tools

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or equipment were important to a job. Skills in these two groups, and the types of tools, are listed below.

Cognitive skills

- ability to read and write
- arithmetic skills

and ### General working skills

- ability to communicate well
- cooperating with co-workers
- dealing with the public
- using one's own initiative
- working well without close supervision

and ### Ability to use tools

- simple tools
- tools requiring dexterity
- simple machines
- complex machines

As shown in Table 2.7, women's jobs required more skills than the men's, and more of their jobs required each skill (with the exception of some of the tool and equipment categories). And, while the difference was not always statistically significant, the trend was consistent. The types of skills which were judged particularly important to the jobs also reflected the different nature of men's and women's assignments. Men tended to use simple tools, such as brooms, shovels and rakes (although some used relatively complex machines, such as trucks and power tools). Women also used simple machines, such as photocopiers or the telephone, but needed more cognitive skills, the ones most likely to be required in office settings. These were the least likely skills to be necessary for the men's jobs in which they often worked as laborers. Such skills were not even essential for the more skilled carpenter or mechanic positions.

For each type of skill considered important to the job, supervisors

TABLE 2.7

WEST VIRGINIA

SKILL REQUIREMENTS OF CWEP JOBS, BY SKILL TYPE

Type of Skill	Male Participants	Female Participants
Average Number of Skills Important Per Job		
Cognitive Skills	0.3	0.8***
General Skills	3.1	3.0**
Percent of Jobs Where Cognitive Skills Were Important[a]		
Reading/Writing	20.0	50.0***
Arithmetic	10.0	29.4**
Percent of Jobs Where General Skills Were Important[a]		
Cooperate With Co-Workers	66.7	78.4
Deal With Public	55.0	73.5
Own Initiative	60.0	82.4**
Without Supervision	75.0	78.4
Communicate Well	51.7	73.5*
Percent of Jobs Where Ability to Use Tools Was Important[a]		
Simple Tools	68.3	47.1*
Tools Requiring Dexterity	50.0	32.4
Simple Machines	18.3	58.8***
Complex Machines	60.0	23.5***
Total Number of Sampled CWEP Participants	60	34

SOURCE: Interviews conducted by MDRC Field Research Staff between July 1983 and March 1984 with worksite supervisors of a random sample of participants in CWEP jobs.

NOTES: [a]Supervisors could specify more than one type of skill.

A two-tailed t-test or chi-square test was applied to male-female differences. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

were asked how adequate the participant was both when the assignment began and at the time of the interview. Supervisors were also asked to judge participants' adequacy in the following seven work habits, which apply to all jobs and work settings:

- attendance and punctuality;
- concentrating on tasks;
- working quickly and in a timely fashion;
- following instructions;
- calling in when sick or late;
- completing tasks thoroughly; and
- learning from mistakes or constructive criticism.

The results are presented in Table 2.8.

In brief, results from both Tables 2.7 and 2.8 show that most supervisors judged participants adequate or better in work habits and general skills before they began their CWEP jobs. In all but two instances, at least three-fourths of the participants had the requisite skills levels from the outset. While only a few jobs demanded real competency in reading, writing or computation, all participants at the worksites could have met these demands. (Staff assigned these positions to participants who had those skills in the first place, since remedial education was not available as an ancillary service in most cases.)

The higher levels of participant deficiency in the use of simple machines, such as office equipment (still less than one-third of all participants) appear primarily to reflect women's assignments, where typing and photocopying had to be mastered. A surprising one-third of participants also had to gain adequacy in the use of complex machines.

The relatively small proportion of participants who were not sufficient in basic job-holding skills (such as calling in sick, regular attendance, or working well without close supervision) had almost all

TABLE 2.8

WEST VIRGINIA

ADEQUACY OF CWEP PARTICIPANTS IN SELECTED SKILLS AND WORK HABITS
IMPORTANT FOR THEIR JOBS, AT THE START OF THEIR JOBS
AND AT TIME OF INTERVIEWS, AS JUDGED BY THEIR WORKSITE SUPERVISORS

Type of Skill or Work Habit	Number of CWEP Jobs Where Skill is Important	Percentage of Participants Who Were:[a]		
		Adequate or More Than Adequate at Start of CWEP Job	Inadequate at Start of CWEP Job	Inadequate at Time of Interview
Cognitive Skills				
Reading/Writing	29	100	0	0
Arithmetic	16	100	0	0
General Skills				
Cooperate With Co-Workers	67	90	10	0
Deal With Public	58	78	22	2
Take Own Initiative	64	77	23	2
Work Without Supervision	72	76	24	1
Communicate Well	56	80	20	0
Ability to Use Tools				
Simple Tools	57	98	2	2
Tools Requiring Dexterity	41	95	5	0
Simple Machines	31	71	29	6
Complex Machines	44	66	34	0
Work Habits				
Attendance	N/A[b]	86	14	5
Concentrates on Task	N/A	87	13	1
Works Quickly	N/A	87	13	2
Follows Instructions	N/A	94	6	0
Calls in Sick	N/A	87	13	6
Completes Tasks	N/A	88	12	2
Learns From Mistakes	N/A	96	4	0

SOURCE: Interviews conducted by MDRC Field Research Staff between July 1983 and March 1984 with worksite supervisors of a random sample of participants in CWEP jobs.

NOTES: [a]A total of 94 CWEP supervisors were interviewed. Percentages are based on only those jobs where the supervisor indicated that the skill was important.

[b]N/A indicates not applicable because all supervisors were asked to rate the adequacy of the CWEP participant.

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reached job adequacy at the time supervisors were interviewed. Hence, for the one-eighth to one-quarter of participants who could benefit from skills improvement, CWEP provided effective training.

In addition to supervisors, participants themselves were asked about learning on the job. They were asked if they strongly agreed, somewhat agreed, somewhat disagreed or strongly disagreed with the statement "I have not learned anything on this job." Their responses, expressed as percentages, are as follows:

	Male Participants	Female Participants
Strongly disagree.....	47	35
Somewhat disagree....	17	24
Somewhat agree........	13	12
Strongly agree.......	23	29
Total	100.0%	100.0%

The responses indicate that many participants learned something new in their CWEP positions, although it should be noted there was not much correlation between their responses and the judgments of supervisors to the questions on skills improvement. One possibility is that participants could have been referring to something they had learned on the job other than concrete skills.

The same skills improvement questions were posed to samples of worksite supervisors in other states in MDRC's Demonstration of State Work/ Welfare Initiatives. To cite two, the supervisors in San Diego, California tended to find a slightly higher share of participants adequate or better at the start of their CWEP assignments than did the supervisors in West Virginia, while responses from Maryland were much the same as the West Virginia ones. It should be emphasized that the experiences in all six

state programs were more similar than different. Moreover, most participants who were initially judged inadequate in certain areas had become adequate by the time supervisors were interviewed.3

V. Participant Job Satisfaction and Sense of Fairness about the Work Requirement

Two critical issues in mandatory work programs are the level of the participants' job satisfaction and their sense of the fairness of a work requirement. To evaluate their perceptions, participants were asked a series of questions at several points in the interview. Intentionally, the same issue was explored more than once, with alternative wording. For example, questions were worded so that an affirmative response to one but a negative response to another would indicate a consistent attitude. This is a standard practice in surveys on attitudes, and recent research indicates that it may be particularly important in interviews with respondents who have little formal education, and who are more likely than most to give answers that agree with statements offered by the interviewers.4

Overall, responses to two of the several questions participants were asked about fairness seemed to indicate a consistent attitude. The questions and responses to the first were as follows:

How satisfied are you about receiving
(welfare) benefits like this -- that
is, tied to a job -- instead of simply
receiving your benefits?

	Men	Women
Very satisfied.........	50	47
Somewhat satisfied.....	40	35
Somewhat dissatisfied..	2	9
Not satisfied at all...	8	9
Total	100.0%	100.0%

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A somewhat different question, with a reversed response direction and a reference to the participant's family, was presented as a statement in which respondents could select one of four levels of agreement:

"I do not like having to leave my family to go to a job where I only get a welfare check."

	Men	Women
Strongly Agree.........	12	9
Somewhat Agree.......	22	29
Somewhat Disagree...	16	21
Strongly Disagree...	50	41
Total	100.0%	100.0%

In their responses, men and women alike generally accepted and, in fact, were satisfied with a work-for-benefits arrangement. When given a choice to indicate "satisfaction" or "strong satisfaction" -- the first two answers to the first question (prior page) and the last two responses to the second -- half of the men indicated a strong satisfaction in both questions, although some expressed dissatisfaction about leaving the family to work for a grant. Women were slightly less likely to be satisfied, particularly in response to the statement about leaving their children; 38 percent indicated that they did not like to do so. However, nearly half expressed strong satisfaction with the work-tied-to-benefits formulation.5

A third question dealt with the issue of fairness in terms of financial equity. Responses to that question generally did not correlate to the two just cited. The question and responses were as follows:

I'd like to ask you how useful your work is to the agency. Let's say you compare the usefulness of your work to the amount of money you receive in benefits -- who

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would you say is getting the better end
of the deal: you or the agency?

	Men	Women
Me.......	20	15
Neither one..........	18	12
The agency...........	62	73
There's no connection	0	0
Total	100.0%	100.0%

Both men and women indicated that they thought the agency got the better end of the bargain, saying in effect that they believed their contribution was worth more tha the implicit minimum wage for which they were working. A higher share of the women made this observation, but the difference between the two groups was not statistically significant.

The fact that somewhat different patterns were obtained from similar questions or statements with different wording should not obscure the important finding that a very large proportion of CWEP participants -- somewhere between 60 and 90 percent of both men and women -- were satisfied with the CWEP work requirement. This occurred despite the fact that the great majority of participants thought the work sponsor was getting the better end of the bargain financially.

In addition, all but three of the 94 respondents understood that their grants were in jeopardy if they did not meet the participation requirement, dispelling the possibility that respondents were satisfied because they did not perceive the mandatory nature of their work assignments. The satisfaction was also confirmed by the reports of the MDRC researcher who, in conducting interviews with participants and staff members in area offices, found widespread acceptance of the program, particularly for men.

However, it is possible that participants might think that a require-

ment to work for their benefits was fair, but not be satisfied with the job itself. Several questions examined this issue -- for example:

"Overall, I like my job."

	Men	Women
Strongly Agree...............	62	65
Somewhat Agree...............	27	32
Somewhat Disagree............	3	0
Strongly Disagree............	8	3
Total	100.0%	100.0%

Another series of questions were asked wherein the participants were handed cards with a statement and a set of response categories into which they fit their reply. The following is one example:

"The kind of work I'm doing on this job
will help me get a decent-paying job later."

	Men	Women
Strongly disagree....	18	6
Somewhat disagree....	14	15
Somewhat agree.......	40	38
Strongly agree.......	28	41
Total	100.0%	100.0%

In responding to this and other similar questions, participants reported high levels of job satisfaction with their current assignments. They also seemed to think that a CWEP assignment could lead to a better-paying regular job in the future.

These findings are generally consistent with other research studying work experience arrangements.[6] Moreover, they make sense in the context of West Virginia's background and traditions. They also offer some broad clues about the circumstances under which work-for-benefits arrangements are acceptable to welfare recipients: when the work is of value to the

sponsor/employer; when it is expected to lead to something better; and when

the content of the work does not serve to remind participants that they are

"undeserving" welfare recipients.

PART TWO

CHAPTER 3

THE AFDC RESEARCH DESIGN AND DATA SOURCES

This chapter describes the research design and research sample as well as the data sources used in the analysis of CWEP as operated for AFDC mothers. The first section explains the measurement of net program impacts through the use of experimental and control groups. The next sections discuss selection of the research sample for the study and describe the sample generated. A final section presents the key data sources and assesses the data's accuracy.

I.   The Research Design

The evaluation of CWEP for AFDC women was conducted using an experimental research design in which random assignment generated an experimental and a control group. Members of the experimental group were eligible for CWEP and the limited traditional WIN services still available in the state. Members of the control group, while not permitted to participate in CWEP, could receive the limited WIN services but, as is described later, very few members of either group took part in any non-CWEP WIN activities.

The inclusion of a control group in the research design permits estimation of net program effects. Examining outcomes (such as job placements and departures from welfare) without the use of random assignment would not assess the program's achievements accurately since positive outcomes for CWEP enrollees cannot all be attributed to the program. In fact, research has shown that a significant proportion of AFDC

recipients find jobs and leave welfare on their own in any given period.[1]
The experience of the control group provides an indication of what would
have happened to program-eligibles in the absence of CWEP. The difference
in outcomes between the experimental group (eligible for CWEP) and the
control group (not eligible) reveals the effects of the program.

Data were gathered for members of both research groups on a series of
specific outcome measures: the proportion employed, average earnings, the
proportion receiving AFDC grants and average AFDC payments. Program
impacts were calculated using ordinary least squares.[2] The tables in this
report indicate whether program effects are statistically significant at
the 99, 95 and 90 percent levels of confidence. These significance levels
indicate the probability that a given experimental-control difference would
not have occurred by chance.

This CWEP evaluation for women in the AFDC caseload was targeted on
those considered WIN-mandatory -- that is, women required to participate in
employment programs.[3] The WIN-mandatory women formed three subgroups:
WIN-mandatory applicants for welfare during the study period; AFDC
recipients determined WIN-mandatory during the study period; and those in
the WIN-mandatory caseload when the demonstration began.

II. Generation of the Research Sample

Figure 3.1 shows the formation of the AFDC research sample. Random
assignment occurred at WIN registration for both WIN-mandatory applicants
and newly determined WIN-mandatory recipients. The prior WIN-mandatory
caseload was randomly assigned when reappraised by WIN staff to determine
their readiness for participation in WIN activities. At the beginning of

FIGURE 3.1

WEST VIRGINIA

GENERATION OF THE AFDC RESEARCH SAMPLE

```
┌─────────────────────────┐          ┌─────────────────────────┐
│  Prior WIN Registrants  │          │   New WIN Registrants   │
│   (registered before    │          │    (registered after    │
│      July 1, 1983)      │          │      July 1, 1983)      │
└─────────────────────────┘          └─────────────────────────┘
        WIN RE-APPRAISAL                    WIN REGISTRATION
```

```
                                        ┌─Non-Research────────┐
                                        │ ● registrants in    │
                                        │     full-time       │
                                        │     school or       │
                                        │     training        │
        RANDOM ASSIGNMENT               │ ● male registrants  │
                                        │ ● registrants less  │
                                        │     than 18 years   │
                                        │     of age          │
                                        │ ● registrants       │
┌──────────────────┐  ┌──────────────┐  │     employed full   │
│   Experimental   │  │   Control    │  │     or part-time    │
│      Group       │  │    Group     │  │ ● registrants from  │
└──────────────────┘  └──────────────┘  │     remote offices  │
                                        │ ● WIN volunteers    │
  All WIN Services     All WIN Services │ ● pregnant females  │
     including            excluding     └─────────────────────┘
       CWEP                 CWEP
```

the evaluation, administrative areas were given the option of calling in all their prior WIN mandatory registrants for random assignment at one point in time or, instead, they could assess and randomly assign appropriate clients in standard appraisal cycles, which ranged from 30 to 180 days.[4] Some areas (e.g., the Martinsburg and Huntington areas) appear to have evaluated their current caseloads and randomly assigned all eligible clients at the beginning of the study -- i.e., in July, August or September, 1983 -- but most areas kept to their normal appraisal cycles.

Random assignment thus took place in stages between July 1983 and April 1984. Table 3.1 gives the number of individuals in the research sample by the month of random assignment and registration status. A large proportion of the research sample (80 percent) was assigned in the first six months of the demonstration (from July to December 1983). Three-quarters of all members of this early sample were prior registrants. In the final four months of random assignment (from January to April 1984), randomly assigned clients were more evenly distributed between new and prior registrants (48 percent and 52 percent, respectively).

III. The Research Sample

Prior registrants in the sample were a cross-section of all WIN-mandatory recipients in the caseload as of July 1983. The new registrants included a cross-section of all WIN-mandatory applicants, and recipients who were newly determined WIN-mandatory during the research period, usually because their youngest child had recently turned age six.[5]

By the end of April 1984, when random assignment ended, 1,853 AFDC registrants were assigned to the experimental group and 1,841 to the

TABLE 3.1

WEST VIRGINIA

NUMBER OF AFDC WIN REGISTRANTS
RANDOMLY ASSIGNED, BY MONTH OF RANDOM ASSIGNMENT
(JULY 1983 - APRIL 1984)

Month of Random Assignment	Prior Registrants	New Registrants	Total
July 1983	344	85	439
August 1983	615	156	771
September 1983	453	141	594
October 1983	368	126	495
November 1983	218	94	312
December 1983	225	115	340
January 1984	123	118	241
February 1984	112	92	204
March 1984	80	66	146
April 1984	73	79	152
Sample Size	2612	1082	3694

SOURCE: Tabulations from MDRC Client Information Sheets.

controls, leaving 1,210 in a non-research category.[6] Thus, the research sample included roughly three-quarters of all WIN-mandatory applicants and recipients in the nine administrative areas involved in the study. The one-quarter excluded from the research sample and placed in the non-research category included enrollees in full-time school or training, men heading AFDC single-parent cases, 16- or 17-year-old youths who were on a parent's AFDC case, people who were employed, and WIN volunteers.[7] Members of the non-research group were eligible for all available services, including CWEP.

The demographic characteristics of the AFDC sample are summarized in Table 3.2. The vast majority (90 percent) of women in the sample were white, and almost half were divorced or widowed (47 percent).[8] The average age of the sample members was 35 years, and less than half had a high school diploma or general equivalency degree.

About 70 percent of the sample members were prior registrants, and the majority overall had a lengthy history of welfare dependency. Over half (54 percent) of the women had received AFDC for more than two years at some time prior to random assignment. The women had been on welfare an average of 14 of the previous 24 months.

Very few of the women demonstrated recent attachment to the labor force. Only 28 percent of the sample members reported having been employed at any time during the two years prior to random assignment, and just 18 percent had earnings reported to the Unemployment Insurance (UI) system during the year prior to random assignment.

As shown in Appendix Table A.1, there were few differences between the characteristics of experimental and control groups, indicating that random

TABLE 3.2

WEST VIRGINIA

SELECTED CHARACTERISTICS OF THE AFDC SAMPLE
AT THE TIME OF RANDOM ASSIGNMENT, BY REGISTRATION STATUS
(JULY 1983 - APRIL 1984 SAMPLE)

Characteristic	Prior Registrants	New Registrants	Total
Administrative Area (%)			
Huntington	14.5	18.0	16.5***
Martinsburg	7.7	7.9 f	7.7
Parkersburg	13.1	0.0	9.2***
Princeton	11.3	11.3	11.3
Clarksburg	7.4	11.0	8.4***
Fairmont	9.3	11.8	10.1**
Fayetteville	8.1	8.2	8.8
Grafton	9.5	5.2	8.2***
Wheeling	18.2	26.5	20.7***
Level of Urbanization e (%)			
0 - 10	23.6	5.6	18.3***
11 - 20	11.5	11.0	11.3
21 - 30	10.8	8.5	10.1
31 - 40	8.4	11.2	9.2
41 - 50	16.3	22.8	18.2
51 - 60	11.6	17.4	13.3
61 - 70	0.0	0.0	0.0
71 - 80	11.2	14.3	12.1
81 - 90	6.6	9.1	7.4
Age (%)			
24 Years or Less	4.7	5.5	4.9
25 to 34 Years	47.0	46.3	46.8
35 to 44 Years	35.7	37.1	36.1
45 Years or More	12.3	11.0	11.9
Average Age (Years)	34.7	34.4	34.6
Ethnicity (%)			
White, Non-Hispanic	89.2	81.6	89.9**
Black, Non-Hispanic	10.6	8.0	9.8**
Other	0.2	0.4	0.3
Degree Received (%)			
None	56.0	49.4	54.0***
General Equivalency Diploma	13.7	11.9	13.2
High School Diploma	30.3	38.7	32.8***
Average Highest Grade Completed	10.1	10.5	10.2***
Marital Status (%)			
Never Married	15.1	9.1	13.3***
Married, Living with Spouse	15.7	19.3	16.8***
Married, Not Living with Spouse	18.4	31.1	22.8***
Divorced, Widowed	49.9	40.2	47.0***
Average Number of Children			
Less Than 4 Years	0.05	0.07	0.06
4 to 5 Years	0.08	0.08	0.08
6 to 12 Years	1.21	1.05	1.16***
13 to 18 Years	0.73	0.66	0.71**

(continued)

TABLE 3.2 (continued)

Characteristic	Prior Registrants	New Registrants	Total
Average Number of Children Under 19 Years of Age	2.06	1.84	2.00***
Any Children (%)[b]			
Less Than 6 Years	10.5	11.6	10.8
6 to 18 Years	95.3	93.0	94.6***
Prior AFDC Dependency (%)			
Never on AFDC	4.0	37.7	13.9***
Two Years or Less	31.0	34.0	31.9*
More Than Two Years	64.9	28.3	54.2***
Ever Received AFDC in Two Years Prior to Random Assignment (%)	94.9	48.1	81.2***
Total AFDC Received in Two Years Prior to Random Assignment ($)	3372.61	920.85	2654.47***
Average Months on AFDC in Two Years Prior to Random Assignment	17.7	5.2	14.0***
Held Job at Any Time in the Two Years Prior to Random Assignment (%)	18.9	49.2	27.8***
Held Job at Any Time During Four Quarters Prior to Random Assignment (%)	14.1	27.1	17.9***
Held Job at Any Time During Quarter Prior to Random Assignment (%)	6.2	17.7	9.6***
Average Earnings During Four Quarters Prior to Random Assignment ($)	257.28	906.46	447.43***
Average Earnings During Quarter Prior to Random Assignment ($)	55.08	223.11	104.30***
Average Months Employed During Two Years Prior to Random Assignment	1.5	5.9	2.8***
For Longest Job Held in Past Two Years			
Average Hourly Wage Rate($)	3.58	3.80	3.74***
Average Weekly Hours	33.1	34.3	33.7
Duration of Job (Months)	14.7	20.1	17.5***
Total Sample[e]	2612	1082	3694

SOURCE: Calculations from MDRC Client Information Sheets and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Distributions may not add to 100.0 percent because of roundings.

(continued)

TABLE 3.2 (continued)

a
Level of urbanization is defined as the percent of individuals
living in an urban area in each county according to 1980 census data.

b
Distributions may not add to 100.00 percent because individuals
can have children in more then one category.

c
Calculated from Unemployment Insurance earnings records from the
State of West Virginia. Since many individuals worked out-of-state or in jobs
not covered by the UI System, earnings data from the West Virginia Unemployment
Insurance System is considered to underreport the income for sample members.

d
For questions concerning longest job, sample sizes are based on
the number of individuals who report a longest job on the Client Information
Sheet. Due to missing data for selected characteristics, these sample sizes
vary from 510-512 for prior registrants and from 472-474 for new registrants.

e
For selected characteristics, sample sizes may vary up to 28
sample points due to missing data.

f
No individuals in Perkersburg were coded as new registrants on
the Client Information Sheets.

Differences between registration statuses are statistically
significant using a two-tailed t-test or chi-square test at the following
levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

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assignment succeeded in generating two research groups whose members were similar in background characteristics.

As expected, there were large differences between the characteristics of new registrants and those of prior registrants. Prior registrants had a more extensive history of welfare receipt: 65 percent had received AFDC for more than two years, while only 28 percent of the new registrants had received welfare for this length of time. Correspondingly, the prior registrants were less likely than the new registrants to have held a job at any time in the prior two years: 19 versus 49 percent of the new registrants had done so. The prior registrants were also less likely to be high school graduates or to have a general equivalency degree than the new registrants (44 percent and 51 percent, respectively) and were more often currently unmarried (65 percent and 49 percent, respectively). Because of these differences, these two groups are analyzed separately as well as together.

IV. Data Sources and Data Quality

This evaluation uses a wide range of both quantitative and qualitative data. State administrative records from the WIN Information system, the Unemployment Insurance system and the AFDC payment system provided quantitative data on program activity, employment, earnings and welfare payments.[9] (Table 3.3 shows sources used for the different types of data and the length of the follow-up period.) State and federal reports which describe trends in the size of the welfare caseload before and during the study period and characterize labor markets in the demonstration areas help place the AFDC caseload and economy of West Virginia in a national context. Information on demographic and socioeconomic characteristics of registrants

TABLE 3.3

WEST VIRGINIA

LENGTH OF AVAILABLE FOLLOW-UP FOR THE AFDC RESEARCH SAMPLE, BY DATA SOURCE AND PERIOD OF RANDOM ASSIGNMENT (JULY 1983 - APRIL 1984 SAMPLE)

Data and Source	Last Date Data Are Available	Point at Which Data Starts to Be Collected	Length of Follow-Up By Period of Random Assignment			
			July-September 1983	October-December 1983	January-March 1984	April 1984
Program Data from the WIN Information System (WIS)	December 1984	Date of Random Assignment[a]	15 Months	12 Months	9 Months	8 Months[b]
Quarterly Employment and earnings data from the State of West Virginia Unemployment Insurance System[c/d]	Third Calendar Quarter 1985	4 Quarters Prior to Random Assignment	8 Quarters After Random Assignment	7 Quarters After Random Assignment	6 Quarters After Random Assignment	5 Quarters After Random Assignment
Monthly Welfare Grant Payments from the State of West Virginia AFDC Payments System[a]	January 1986	24 Months Prior to Random Assignment	29 Months	26 Months	23 Months	22 Months
Monthly Unemployment Insurance Benefits data from the State of West Virginia Unemployment Insurance System	December 1985	12 Months Prior to Random Assignment	28 Months	25 Months	22 Months	21 Months

NOTES: [a]Random assignment occurred at different points in the client flow. Applicants were randomly assigned at initial WIN registration; other new registrants were randomly assigned when newly redetermined WIN-mandatory. For prior registrants, random assignment occurred at reappraisal: either at the beginning of the CWEP evaluation, or at the regular cyclical WIN reappraisal.

(continued)

TABLE 3.3 (continued)

[b] Sample members randomly assigned in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the early or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

[c] Employment and earnings data are based on Unemployment Insurance earnings records which report earnings on a calendar quarter basis.

[d] The calendar quarter of random assignment is not considered to be a follow-up quarter for employment and earnings for the West Virginia CWEP evaluation.

[e] The first month of follow-up for welfare grant payments and Unemployment Insurance benefits includes the month in which an individual is randomly assigned.

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in the sample was collected on a form prepared by MDRC. An MDRC survey of a random sample of CWEP worksite participants and their supervisors provided information on the nature of work and the attitudes of participants about the jobs and the work requirement.

Also central to this study were qualitative data collected through field research: interviews with program staff, observations of client-staff interactions in the local offices, and examinations of program documents and records. A brief description of the key data sources follows.

A. Client Information Sheets (CIS)

The CIS, designed by MDRC, constituted the major source of demographic data about the AFDC research sample. At random assignment, program staff asked clients for the information necessary to complete the CIS form. The CIS contained data on standard demographic variables (age, sex, ethnicity, family composition and educational attainment) and basic information on welfare and employment histories, with particular attention given to each client's experience during the two years prior to random assignment. Overall, the CIS data were accurate and complete.[10]

B. Administrative Records

1. The WIN Information System (WIS). This system provided computerized data to track program participation, job placement, deregistration and sanctioning. Information was collected from the beginning of random assignment in July 1983 through December 1984. In assessing the quality of the WIS data, the MDRC on-site field researcher examined case record files for a randomly selected sample of 47 clients. This comparison of WIS data with information in clients' case folders indicated that WIS was an accurate and complete source of information on program activities.

2.   The State of West Virginia AFDC Payments System.   This
system supplied data on actual grant amounts.   The state computerized
system, which issuec all automated AFDC grant checks, was the direct source
of this information.   AFDC data were collected on each sample member
beginning two years prior to random assignment and ending January 1986.11

A test of the quality of the research data revealed that the magnitude
of the discrepancies was higher than for similar samples in MDRC's other
evaluations of state work/welfare programs.12 However, differences in the
proportions of experimentals and controls with discrepancies were small and
not statistically significant, so thit discrepancies do not bias the
analysis of program impacts.   Therefore, the computerized AFDC payments
system was considered an acceptable source of information for the research.

3.   The State of West Virginia Unemployment Insurance System.
This system provided data on the quarterly earnings of and monthly UI
benefits paid to the sample members.   Using Social Security numbers, MDRC
collected data on earnings for each sample member from one year prior tc
random assignment until the end of September 1985.   Records of UI benefits
covered the period from July 1982 through September 1985.

In some instances, reliance on UI-reported earnings underestimates
total earnings because not all earnings are reported, and there are also
lags between when employers pay wages and when the data enters the system.
For example, UI records do not include off-the-book earnings, earnings that
employers are not required to report (such as those of domestic workers),
or earnings of people who have moved or who work out of the state.
Potential underestimation was a particularly difficult research issue in
West Virginia, partly because many research areas bordered other states.

Furthermore, the poor labor market in West Virginia may have encouraged sample members to seek jobs out of the state or to take temporary jobs from which earnings may not have been reported to the UI system.

Data quality checks conducted to determine the accuracy and the completeness of the UI data revealed that as many as 40 percent of the jobs held by the women either prior to random assignment or after random assignment might not have been recorded in West Virginia's UI data base.[13] However, there were no significant differences in the extent of the non-reported earnings between experimentals and controls.[14] Although the degree of underestimation would be the same for experimentals and controls, any impacts on employment or earnings would be underestimated.

Unemployment Insurance data for the full sample were available only through five quarters of follow-up, although a follow-up of eight quarters was possible for the earliest sample members. (These counts exclude the quarter of random assignment.)

C.   Other Quantitative Data Sources

Other quantitative data sources for this report include interviews at the CWEP worksites and extended follow-up data collected from WIS tracking records for a subset of early registrants. Data about the perceptions and experiences of CWEP participants and their supervisors were collected by MDRC field researchers as part of a worksite study which used a standard-ized survey instrument. A random subsample of 34 women and 60 men working in CWEP assignments during the period from July 1983 through March 1984 was selected. Interviews were conducted with these AFDC participants and their supervisors.

Extended program activity follow-up data were considered necessary for

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the analysis. Over half of the research sample was still registered with the program at the end of the data collection period in December 1984, and 225 AFDC clients were still participating in CWEP in December 1984. To obtain extended follow-up data from the WIS files, a random subsample (of 146) was drawn from those clients registered with WIN as of December 31, 1984, excluding those people who had continually been in a long-term holding status during the study period, that is, were not considered appropriate for CWEP assignments.

This subsample of clients was followed through May 1986, and dereg-istration (if it occurred) and dates of CWEP participation were recorded. These updated data were used in the benefit-cost analysis to predict length of program enrollment and CWEP participation and, in the process analysis, to estimate length of CWEP stay over an extended follow-up period.

D.   Qualitative Data Sources

Field research data were collected to provide detailed documentation of program operations at the local office level and to examine such issues as the development of CWEP jobs, assignment decisions, staff understanding of CWEP objectives, and the administrative process of sanctioning. These data were primarily collected through background interviews (64 in all) with each Work and Training Division caseworker and supervisor in the nine area offices and through a series of structured reports on each aspect of program activity. The reports drew on data sources intended to complement each other and provide cross-checks, including formal and informal inter-views with program staff (and when possible with clients), observation of program activities, examination of written materials (e.g., procedures manuals) and case file searches. The reports covered the period from May

1983 through June 1984.

In addition, MDRC Operations staff regularly visited the West Virginia program to observe program activities and to interview staff. Their reports were an ongoing source of information about program implementation. The evaluation also drew on program management documents, including the initial project plans and subsequent operation guidelines, and statistical reports detailing participation.

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CHAPTER 4

PATTERNS OF PARTICIPATION FOR AFDCs

This chapter discusses the extent to which AFDC program registrants participated in CWEP. It was not the state's intention -- nor were sufficient funds available -- to run CWEP for single parents at a universal, or saturation scale. Child-care assistance was not provided early in the demonstration, and transportation reimbursement monies were not sufficient to cover the costs of large numbers of participating women. Consequently, program operators were given no participation goals, but neither were specific limits set on CWEP assignments. These parameters of the program for women should be kept in mind throughout this chapter.

The first West Virginia report indicated that CWEP participation was modest, although the analysis was based on an early sample followed for a short period (three months). Among AFDCs registering through November 1983, 16 percent of the experimentals participated in CWEP within three months of random assignment.

The participation analysis in this report differs from that of the first report in several ways. First, it examines the participation patterns for the entire sample randomly assigned from July 1983 through April 1984, including both controls and experimentals. Second, all sample members were tracked for a longer period of time: nine months after research entry. Additionally, those randomly assigned during the first three months -- half of the full sample -- were followed for 15 months. This extended follow-up is particularly important because of the ongoing

participation requirement and the fact that CWEP assignments were frequently not made until several months after random assignment.

Third, this participation analysis answers new questions. Several measures of participation are presented instead of just one, and the intensity of program participation is also examined.

The chapter has several sections. The first depicts the overall indicators of participation, highlighting the differences between experimentals and controls; between new and prior registrants; and among the nine research areas. The next section examines the participation patterns of important subgroups, while the third part looks at participation over time, using varying lengths of follow-up. The fourth section analyzes the program status of registrants at a specific point in time to determine how many were still eligible for CWEP but had not yet worked in a program job. The last section reports on the intensity of participation.

I. Overall Indicators of Participation

The questions in this section are basic: What proportion of the sample ever participated in CWEP? What activities other than CWEP were available? How did participation patterns differ for new and prior registrants?

Because it was summer vacation when CWEP for women began in July 1983, the program got off to a slow start. Few women were assigned to or participated in CWEP until September. And, as noted in the first report, interviews with program staff revealed that, compared to the AFDC-U men, CWEP staff had more difficulty assigning women to worksites. Less than half of the AFDCs in the sample had a high school degree, and only a small proportion had recent work experience. These educational deficiencies,

along with a lack of clerical skills, limited the number of women who met work sponsors' immediate needs. Additionally, staff noted that the AFDC mothers had more health problems and greater hesitation than the fathers to leave their children for work. These factors, combined with the require-ment that staff ensure that participants had adequate child-care arrange-ments, made it more time-consuming to place the women in CWEP positions.

Once the program was underway, up to one-fifth of the experimentals who were available for assignment to CWEP in any given month participated. For example, of the 1,004 individuals who were randomly assigned to the experimental group by October 1983 and were still registered with WIN in October, 130 experimentals, or 13 percent, participated in CWEP during October. In April 1984, 281, or 21 percent of the 1,374 experimentals available for CWEP, participated during the month.[1]

As shown in Table 4.1, within nine months of random assignment, 24 percent of all AFDC experimentals participated at least one day in a worksite.[2] Consistent with the research design, very few -- less than 1 percent -- of the controls participated in CWEP. Participation in non-CWEP services was also relatively rare. As noted in Chapter 1, DHS had dedicated its resources primarily to CWEP, and other types of activities were limited. Table 4.1 shows that only a small proportion of both experimentals and controls (6 percent) participated in non-CWEP activities during the follow-up period. (Non-CWEP services included individual job search, group job search, on-the-job training, institutional training and JTPA services, as shown in Appendix Table B.1.)

Less than one-eighth of the study sample was placed in a job during the nine-month follow-up period. The proportion of placed experimentals

TABLE 4.1

WEST VIRGINIA

KEY PERFORMANCE INDICATORS OF THE AFDC SAMPLE WITHIN NINE MONTHS
AFTER RANDOM ASSIGNMENT, BY REGISTRATION STATUS AND RESEARCH GROUP
(JULY 1983 - APRIL 1984 SAMPLE)

Performance Indicator	Prior Registrants		New Registrants		Total	
	Experimentals	Controls	Experimentals	Controls	Experimentals	Controls
Participated in CWEP	27.0	0.6***	16.7	1.0***	23.9	0.7***
Participated in Other Activity	6.3	6.8	6.3	5.0	6.3	6.2
Job Placement[a]	10.3	9.4	15.1	14.1	11.8	10.8
Deregistered	30.6	30.8	69.5	68.6	42.3	41.6
Sanctioned	2.0	2.1	1.4	0.8	1.8	1.7
Sample Size	1296	1316	557	525	1853	1841

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: All performance indicators are calculated as a percentage of the total number of individuals in the indicated research group.

Participation is defined as attending any activity for at least one day.

Sample members randomly assigned in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

[a] Program placement information is based on employment that is reported to program staff. Program placement data will not be used to measure impacts.

Differences between research groups are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

and controls was similar: 12 and 11 percent, respectively. However, while employment programs frequently use these placement rates to gauge program success, these rates reflect only the employment that comes to the attention of program staff. To the extent that registrants find jobs and do not report them to their caseworkers, placement rates will understate true employment rates. The employment rates presented in Chapter 5, based on Unemployment Insurance records, are a more accurate estimate of employment among experimentals.3

During the nine-month follow-up period, 42 percent of both the experimentals and controls were deregistered from WIN. Very few of the women (less than 2 percent) in either the experimental or control group were sanctioned because they were not in compliance with the program's requirements.

Chapter 3 indicated that new registrants and prior registrants had different demographic characteristics, as well as different backgrounds in prior employment and welfare receipt. Table 4.1 shows that the two groups also had different participation patterns. Twenty-seven percent of the prior registrants in the experimental group participated in CWEP, while 17 percent of the new registrants did so. Although there were no differences in their participation in non-CWEP activities or their rates of sanction-ing, placement and deregistration rates did differ. New registrants had a somewhat higher placement rate (by 5 percentage points) than prior regis-trants, but a vastly higher deregistration rate: 69 percent of the new registrants were deregistered from the program within nine months, while 31 percent of the prior registrants left the program. These differences are generally due to the fact that new registrants are usually more employable

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than those on the rolls and will thus leave welfare more quickly.

It is important to note that these overall performance indicators mask variation in the participation patterns across the nine administrative areas. As illustrated in Appendix Table B.2, CWEP participation rates ranged from 9 percent in Grafton to 38 percent in Princeton. Placement, deregistration and sanctioning rates also differed by area. These differences reflect many factors: the demographic differences in the AFDC populations across areas; the dissimilar labor markets; and variation in staff practices or philosophies. For example, sanctioning, although not common, was clustered in two areas: Martinsburg and Huntington. Observation and interviews indicate that, in Huntington, staff were strict about the mandatory nature of CWEP participation.

High levels of sanctioning, however, were not correlated with high participation, since participation rates in Martinsburg and Huntington ranked second and sixth among the nine areas. It is also interesting to note that the three areas with the highest CWEP participation were also designated saturation areas for the AFDC-U demonstration. It is possible that staff efforts to attain high participation rates for the AFDC-Us had a spill-over effect on assignment patterns for the AFDCs.

II. Subgroup Participation Rates and CWEP Assignment Patterns

This section looks at the patterns for new and prior registrants and other important subgroups of the full sample to see if some segments of the targeted population participated at higher rates than others. The analysis of these data, together with qualitative data from observation and staff interviews, suggests how registrants were assigned to CWEP.

As noted earlier, prior registrants had higher CWEP participation rates than new registrants. This difference was not due to official policy: as a rule, program staff did not assign the prior caseload to CWEP positions before new registrants. Instead, it appears that, because prior registrants remained in the program longer, they were more likely to receive a CWEP assignment than the short-term new registrants. Some case-workers suggested that they knew the prior registrants better, and were more likely to call on them, but actual assignment practice had more to do with who was still registered with the program.

There were no clear patterns indicating that assignment practices were related to the job-readiness of the clients. On the one hand, as shown in Table 4.2, women with a high school diploma or GED were more likely to participate than those without a high school degree. (Among the new registrants, 20 percent of those with a degree participated, while only 13 percent of those without a degree did so. For the prior registrants, the rates were 30 percent and 25 percent, respectively.) On the other hand, women with relatively long AFDC histories were more likely to participate than those who had been on AFDC for less than two years. For prior and new registrants, there was about a 5 percentage point difference between the rates (15 percent versus 21 percent for the new registrants and 24 percent versus 29 percent for the prior registrants).

CWEP participation rates were similar for women with and without recent employment. However, not many prior registrants -- less than 20 percent -- had held a job within two years prior to program registration. Of interest is the fact that there was no clear correlation between partici-pation rates and the urban nature of the women's county of residence.

TABLE 4.2

WEST VIRGINIA

CWEP PARTICIPATION RATES FOR THE AFDC EXPERIMENTALS,
BY SELECTED CHARACTERISTICS AND REGISTRATION STATUS
(JULY 1983 - APRIL 1984 SAMPLE)

Characteristic	Prior Registrants	New Registrants	Total
Administrative Area			
Wheeling	27.0	17.8	23.5
Fairmont	15.3***	0.0***	10.2***
Martinsburg	28.0	6.8	21.5
Parkersburg	27.8	N/A	27.8
Clarksburg	25.8	18.9	22.5
Grafton	11.2***	0.0**	9.4***
Huntington	37.6***	20.6	31.6***
Fayetteville	17.8**	28.5**	21.1
Princeton	42.7***	26.7**	38.1***
Age			
24 Years or Less	17.9	20.7	18.8
25 to 34 Years	31.5***	20.7**	28.1***
35 to 44 Years	25.1	13.1	21.4*
45 Years or More	19.8**	7.7	17.0**
Ethnicity			
White, Non-Hispanic	26.5	15.4**	23.1**
Black, Non-Hispanic	31.8	31.8***	31.8**
All Others	25.0^c	0.0^c	16.7^c
Degree Received			
High School Diploma			
or Equivalent	30.1**	20.1**	26.8**
No Degree	24.8**	13.3**	21.6**
Marital Status			
Never Married	32.7*	34.6***	33.1***
Married, Living with Spouse	17.1***	13.3	15.9***
Married, Not Living with			
Spouse	27.5	19.0	24.1
Divorced, Widowed	28.3	12.6**	24.0
Prior AFDC Dependency			
2 Years or Less	24.4	14.9*	20.0***
More Than 2 Years	28.5	21.3*	27.3***
Held Job At Any Time During			
Four Quarters Prior to Random			
Assignment			
Yes	32.0	17.8	24.8
No	26.3	16.2	23.7

(continued)

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TABLE 4.2 (continued)

Characteristic	Prior Registrants	New Registrants	Total
Held Job at Any Time During Two Years Prior to Random Assignment			
Yes	29.5	17.3	22.9
No	28.6	16.5	24.5
Received AFDC in Two Years Prior to Random Assignment			
Yes	27.5	19.9*	26.1***
No	18.9	13.8*	14.8***
Level of Urbanization[a]			
0 - 10	22.1**	10.0	21.0
11 - 20	16.4***	22.0	18.0**
21 - 30	40.1***	11.9	34.0***
31 - 40	42.6***	26.7**	36.9***
41 - 50	19.0***	10.2**	15.5***
51 - 60	20.3*	12.4	17.1***
61 - 70	0.0[c]	0.0[c]	0.0[c]
71 - 80	34.0*	19.3	28.7*
81 - 90	37.8**	28.6**	34.5***
Sample Size[b]	1293	557	1850

SOURCE: Calculations from MDRC Client Information Sheets, Unemployment Insurance earnings records from the State of West Virginia, and program tracking records from the West Virginia WIN Information System.

NOTES: Participation is defined as attending CWEP for at least one day.

Sample members randomly assigned in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

N/A indicates not applicable because no individuals in Parkersburg were coded as new registrants on the Client Information Sheets.

[a] Level of urbanization is defined as the percent of individuals living in an urban area in each county according to 1980 census data.

[b] For selected characteristics, sample sizes may vary up to 14 sample points due to missing data.

[c] Chi-square test inappropriate due to low expected cell frequencies.

For each column in the table, a statistical test was performed to determine whether the participation rate for each subcategory was different from the average participation for all the other categories. For example, the 27 percent participation rate achieved by prior registrants in Wheeling was not significantly different from the average participation rate achieved by prior registrants in all other areas. Differences in participation rates in comparison to all other groups are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

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III. Participation Patterns Over Time

Figure 4.1 shows the cumulative participation rates for registrants randomly assigned in the early versus the later months of the sample intake period. As seen in the figure, women randomly assigned through September 1984 were tracked for 15 months: the group entering the sample from October to December 1984, 12 months; those randomly assigned between January and April 1984, nine months.

For all groups -- early and later sample enrollees -- participation rates increased at a steep pace during the first six months after random assignment. The rates continued to climb after that point, although at a slower rate. Ultimately, the 15-month rate of participation for those in the earliest group of sample enrollees reached 33 percent. This indicates that some experimentals began CWEP assignments well after program entry -- as much as 12 months later. Some registrants may have been initially deferred because of problems with health, transportation, or child care. As their situations changed, some were assigned to a CWEP worksite.

Also seen in Figure 4.1 is the high cumulative participation rate of early sample enrollees. This high rate is probably a reflection of the predominance of prior registrants in the early sample, who were more likely to participate in CWEP than new registrants. As noted in Chapter 3, three-quarters of the registrants randomly assigned from July through December 1983 were prior registrants.

IV. Participation and Continuing Eligibility

Thus far in this chapter, participation has been defined as the propor-

FIGURE 4.1

CUMULATIVE CWEP PARTICIPATION RATES OF AFDC EXPERIMENTALS, BY PERIOD OF RANDOM ASSIGNMENT (JULY 1983 – APRIL 1984 SAMPLE)

Ever Participated (%)

July – September 1983

October – December 1983

January – March 1984

April 1984

Month Relative to Random Assignment

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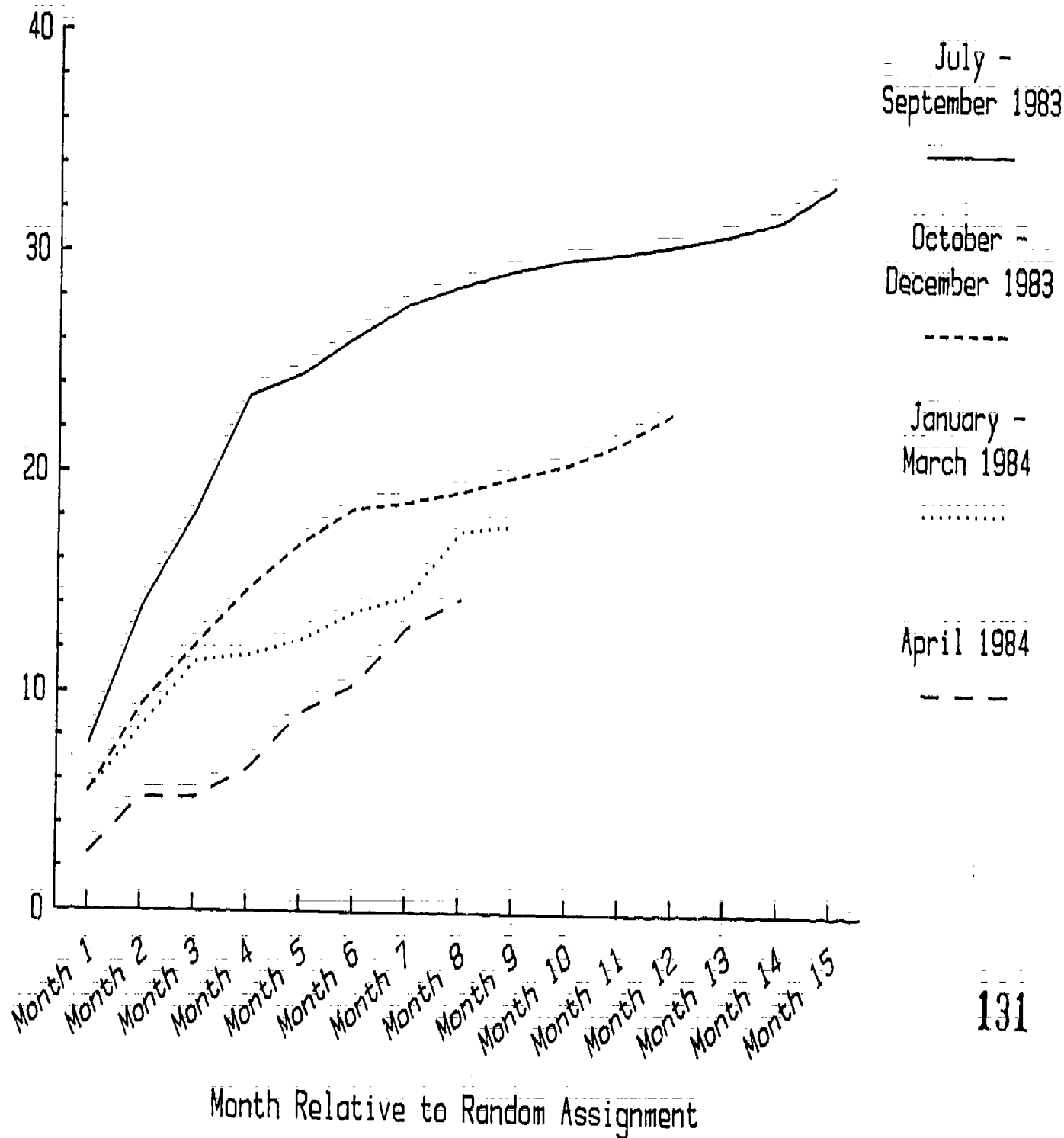
tion of registrants who participated in CWEP for at least one day during a specified follow-up period. Several problems are inherent in this measure. For one, it makes no distinction between those who participated for a day and those who participated for a much longer period, thus ignoring their length of stay, or the intensity of participation.

A second problem is that these rates may understate the program's ability to serve the targeted caseload. Participation rates based on all registrants may incorrectly suggest that all women remained eligible for CWEP assignment throughout the study period, and that certain registrants somehow avoided participation. In reality, some women remained in the program for only a short period of time, leaving welfare or the program for a variety of reasons (e.g., remarriage or the birth of a child). Staff may have had no opportunity to assign these registrants during their short program tenure. Other registrants may have become employed part-time after program entry and were thus not available for a CWEP assignment. The extent of a program's ability to serve the targeted caseload is more evident when only the eligible registrants are taken into account.

This analysis examines the proportion of clients who, at a specific point in time, were still on welfare, registered with the program, did not have jobs, and had not yet participated. This is the eligible group on whom the program had not imposed a CWEP participation requirement. For CWEP operated for women, that proportion was quite large. Figure 4.2 indicates that at nine months after random assignment, 39 percent of all experimentals (27 percent of the new registrants and 44 percent of the prior registrants) were still registered, not employed, and had never participated. (Appendix Table B.3 contains the full breakdown.)

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FIGURE 4.2

ALL AFDC: PROGRAM, EMPLOYMENT, AND WELFARE STATUS IN THE NINTH MONTH AFTER RANDOM ASSIGNMENT

Participants

Non-
Participants

43.7%

PRIOR REGISTRANTS

Participants

Non-
Participants

26.8%

NEW REGISTRANTS

Participants

Non-
Participants

38.6%

ALL AFDC

Never Participated in CWEP
Not Employed, Registered

Participated in CWEP
Not Employed, Registered

Registered,
Employed

Deregistered,
On Welfare

Deregistered,
Off Welfare
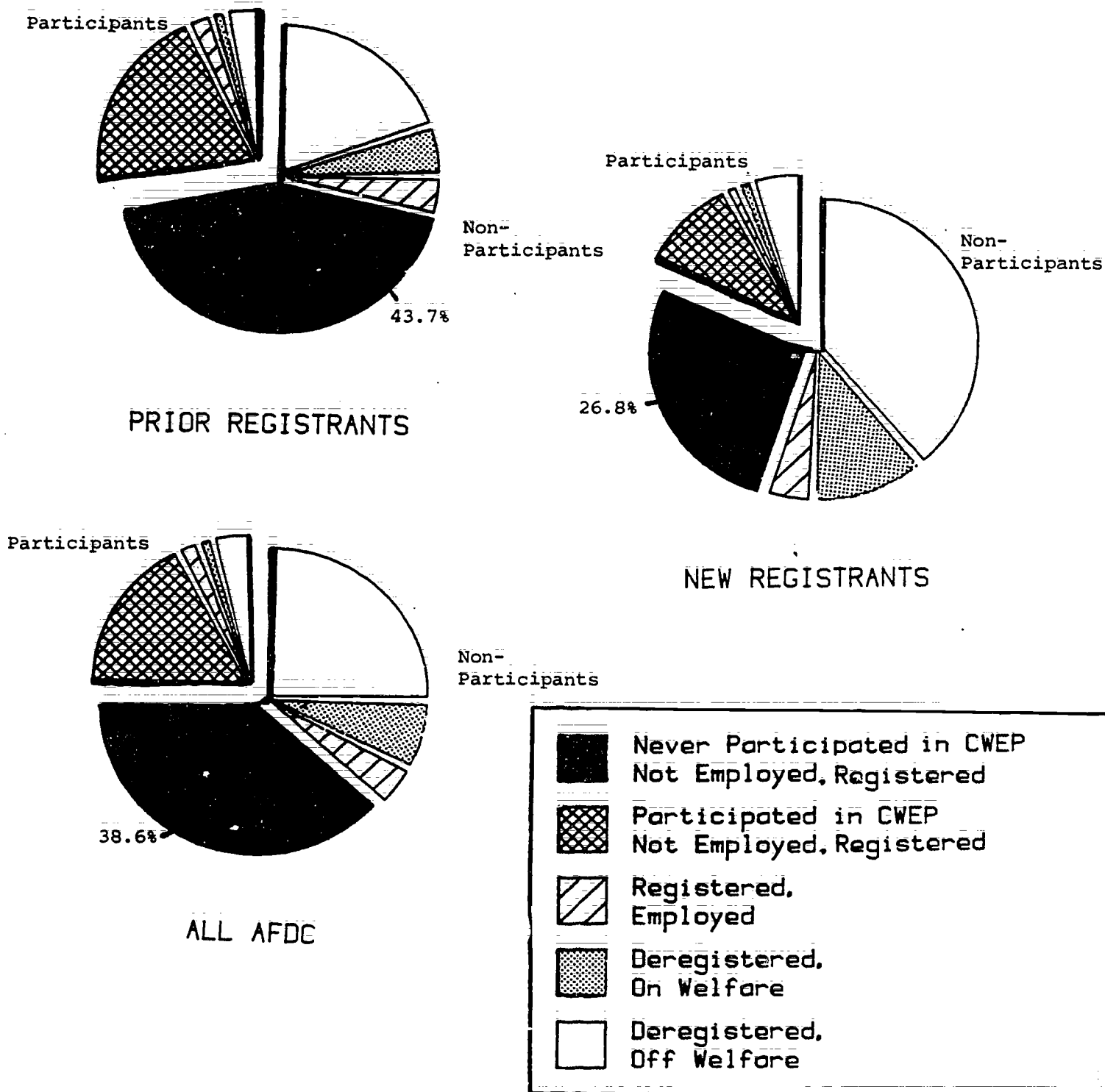
There are several reasons why the proportion of registrants not served by the program might be so high. First, as shown in the table, only 38 percent of the experimental sample had either left welfare or had been deregistered by the ninth month after random assignment. In other words, there was not much welfare turnover in the West Virginia AFDC caseload. The majority of registrants in the sample, particularly the prior registrants, were still available for CWEP assignments nine months after their initial appraisal or reappraisal.[4]

Another explanation is the philosophy of the program for women. West Virginia's historical emphasis on linking welfare to work has been associated with AFDC-U men, not the women. To avoid interfering with women's child-care duties, only women without child-care problems were assigned to CWEP, probably imposing limits on the proportion of registrants who could be assigned. (Although, when pressed in interviews, many staff could think of only a few more women who would have participated if more day care had been available.) Transportation funds for large numbers of women were also not available, but, given the program's limited focus for mothers, were not likely to be needed.

Finally, although interviews with program staff indicated that the great majority of those assigned to CWEP were willing to take part, not all the women assigned to CWEP participated. A variety of factors account for this nonparticipation, including attitudinal, health, transportation and scheduling constraints.

V.   Intensity of Participation

The CWEP program for mothers, as for AFDC-U fathers, involved a contin-

uous participation requirement. That is, once assigned to a worksite, women were expected to work until one of two situations occurred: they left welfare, or they remained on welfare but were no longer WIN-mandatory. This section presents information on how much time typical participants spent at CWEP worksites and whether they worked every month they were in the program.

Interviews with worksite participants and supervisors as part of the worksite study (described in Chapter 2) indicated that women worked an average of 53 hours during each assigned month; fewer than one in five worked less than 40 hours. Work schedules took one of two patterns. Half of the women worked full-time either the first two or last two weeks of each month; the others worked part-time for all four weeks. Work schedules often coincided with school schedules in order to obviate the need for child care.

Those who participated tended to do so for a fairly long time. As shown in Table 4.3, of the 364 women in the early sample who participated in CWEP within the 15-month follow-up period available, two-thirds worked in a job for more than three months. This finding is important because one of the open general questions about CWEP is how long people will stay in the program if the work requirement is indefinite (i.e., lasts as long as a person is on welfare), as in West Virginia. Many state programs, for a number of reasons, limit their work programs to 13 weeks, and this study is the first to offer evidence that CWEP -- operated on an ongoing basis -- will involve welfare recipients for a substantial period of time. Five percent of the West Virginia women, for instance, worked during virtually every month -- 14 or 15 months -- during the 15-month period studied.

TABLE 4.3

WEST VIRGINIA

PERCENTAGE DISTRIBUTION OF NUMBER OF MONTHS PARTICIPATED IN CWEP
FOR AFDC EXPERIMENTALS WHO PARTICIPATED WITHIN 15 MONTHS,
BY REGISTRATION STATUS
(JULY - SEPTEMBER 1983 SAMPLE)

Number of Months Participated in CWEP	Prior Registrant	New Registrant	Total
One Month	7.5	3.4	6.9
Two Months	12.1	15.5	12.6
Three Months	12.1	8.6	11.5
Four Months	8.5	13.8	9.3
Five Months	6.2	13.8	7.4
Six Months	5.6	8.6	6.0
Seven Months	7.5	10.3	8.0
Eight Months	6.9	6.9	6.9
Nine Months	7.8	1.7	6.9
Ten Months	6.5	1.7	5.9
Eleven Months	4.2	5.2	4.4
Twelve Months	2.6	3.4	2.7
Thirteen Months	3.6	5.2	3.8
Fourteen Months	3.9	0.0	3.3
Fifteen Months	2.0	0.0	1.6
Total [a]	100.0	100.0	100.0
Sample Size	306	58	364

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: Participation is defined as attending CWEP for at least one day.

Tests of statistical significance were not calculated.

[a] Sample size includes ten individuals who were coded as participating
for 0 months, since they participated only a few days in the fifteenth month of
follow-up.

However, the statistics presented in Table 4.3 also understate participation in that the follow-up period is limited to 15 months: 33 percent of the early participants were still participating in CWEP during the fifteenth month after random assignment. A better estimate of length of stay -- i.e., one that is not truncated at 15 months -- can be obtained from the sample of 146 AFDCs for whom participation data past December 1984 were obtained. (See Chapters 3 and 6.) Within the 31 to 33-month follow-up period provided by this extended data, registrants participated for 10.5 months. Since 20 percent of these registrants were still participating at the end of this two-and-one-half year follow-up period, a five-year projection of participation was also calculated. Using these data, it appears that the average number of months in which a participant would be likely to work in CWEP during a five-year period would be 13.6 months.5

Another measure of interest is whether -- among the 24 percent who ever participated at least one day -- registrants participated in every month they were in the program. This measure of "continuous participation" was determined by reviewing a sample of 751 experimentals randomly assigned from July to December 1983, who were registered with the program throughout 1984. The results indicate that women who participated in CWEP did not participate on an ongoing basis. Although women in this sample were eligible for CWEP during every month of 1984, only 55 percent of those who participated in January were participating again in December of that year. Conversely, only 44 percent of those participating in December had participated in the first month of 1984.

A review of this special sample of 751 experimentals also confirms a point made previously in this report: because of child-care considerations,

CWEP assignments were suspended for many women during the summer months. As depicted in Figure 4.3, participation rates dropped dramatically in the summer, going down from 21 percent in May to 11 percent in July, and then rising in September to 17 percent.

FIGURE 4.3

CWEP PARTICIPATION RATES OF AFDC EXPERIMENTALS REGISTERED WITH WIN THROUGHOUT 1984, BY REGISTRATION STATUS

Participated in CWEP During Month (%)
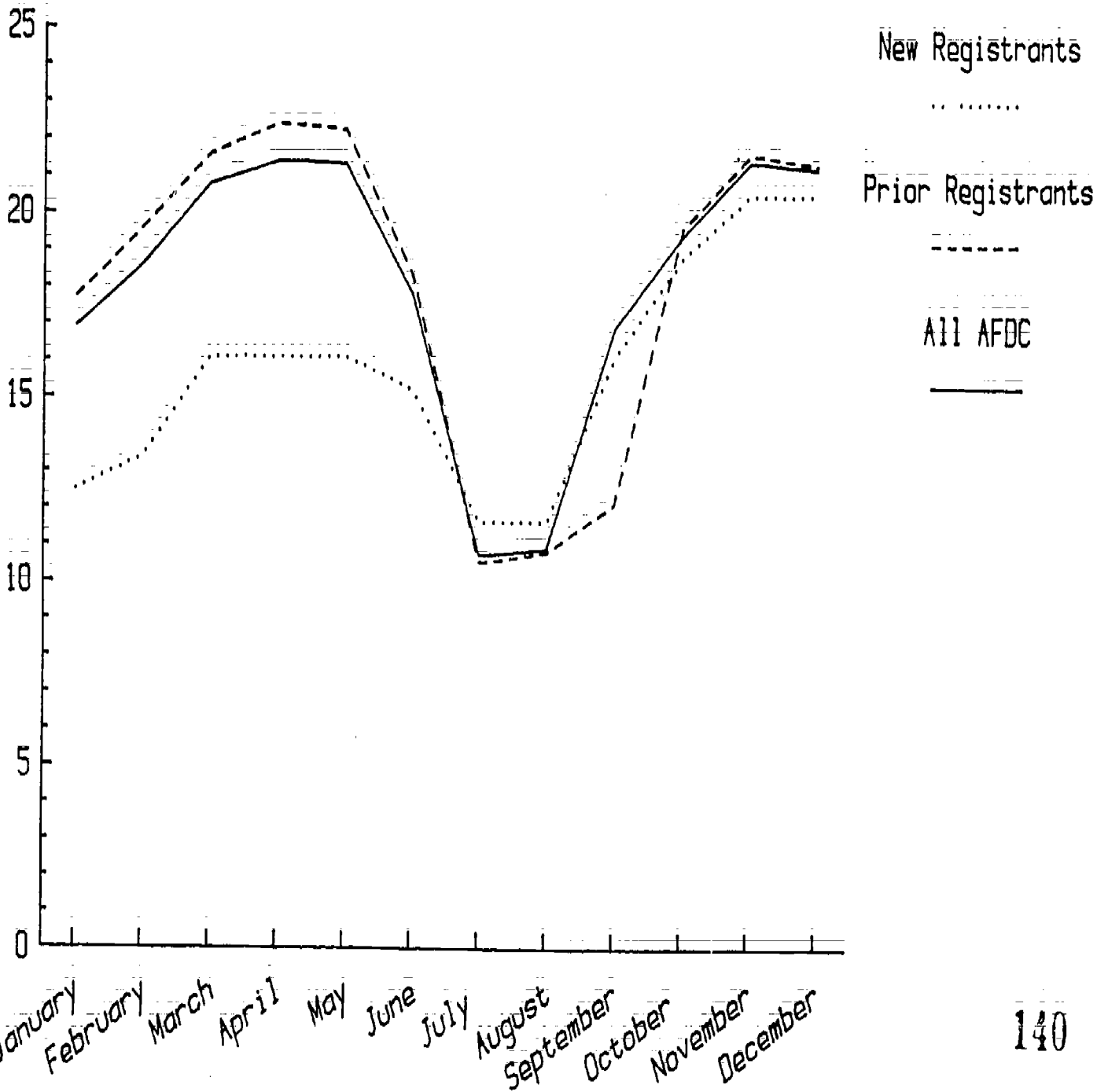
Month in 1984

CHAPTER 5

IMPACTS ON EMPLOYMENT, EARNINGS AND WELFARE RECEIPT
FOR THE AFDCs

This section summarizes the short-term employment and earnings impacts, as well as changes in welfare receipt and payments, for the AFDC research sample. The overall results are based on data collected on all AFDC sample members over an 18- to 21-month period beginning with random assignment. The data for several sets of AFDC subgroups are then analyzed separately.

I. Analysis Issues

As explained in Chapter 3, an experimental design was used to estimate the impacts of CWEP, with random assignment generating an experimental group eligible for CWEP and a control group which was not. Observational and other data indicate that the planned service differences between the research groups were maintained for the duration of the study. About 24 percent of the experimentals participated in CWEP, in the short term, while a negligible 1 percent of controls did so. Non-CWEP activity was low for both groups.

The AFDC impact sample consists of a total of 3,679 women -- 1,078 new registrants and 2,601 (reappraised) prior registrants -- split roughly in half between experimental and control groups.[1] These individuals, who were randomly assigned between July 1983 and the end of April 1984, were all tracked to collect at least six quarters (18 months) of earnings data and seven quarters (21 months) of data on welfare payments, a follow-up period

sufficient to determine short-term impacts. However, CWEP's duration in West Virginia is open-ended -- i.e., a recipient may be required to work as long as she receives welfare -- so that many recipients were still in CWEP at the end of this follow-up. Program effects for these women may not be evident until their deregistration from the program -- perhaps some years hence.

Throughout this chapter, impacts were calculated by comparing the employment, earnings and welfare outcomes for all AFDC experimentals -- both participants and nonparticipants[2] -- to those of all AFDC controls. In order to present the most accurate estimates, key impacts in all cases were adjusted using multivariate regression techniques.[3] However, although the total sample size was sufficient to produce statistically reliable results, the estimated impacts are still subject to some random error and, hence, should be interpreted as showing the direction and probable magnitude of real effects rather than exact percentages or dollars. In addition, subgroup impact estimates are less precise than those for the full sample because of the smaller sample sizes.

Impacts are presented for both the full follow-up period and each follow-up quarter. The final quarter alone will often be cited as the one of most interest. As the furthest point from random assignment, it provides data that indicate magnitude and duration of future program effects. The control group is also sometimes discussed separately to provide a description of the experiences of welfare registrants in the absence of CWEP.

One other issue is important in interpreting the impact data: UI earnings and AFDC payments are organized by their systems somewhat differ-

ently: AFDC payments are recorded monthly, but earnings are kept by calendar quarter (that is, in three-month periods of the calendar year, such as January through March). This affects the follow-up for this analysis. For welfare data, the month of random assignment is the first month of the first follow-up quarter, but for earnings data, the month of random assignment can be any month in the first calendar quarter, thus creating the possibility that some earnings in this quarter were received by recipients prior to random assignment. Hence, the first true impact quarter for employment and earnings outcomes is the second follow-up quarter, and quarter 1 is excluded from the summary impact measures of employment and earnings.

II. Short-Term Impacts for the Full AFDC Sample

As the first step in determining CWEP impacts, outcomes for the full sample of AFDC experimentals were compared to those of the full sample of AFDC controls. To summarize briefly, the comparison reveals no overall impacts on the employment of experimentals within the 18-month follow-up period. Modest but statistically significant reductions in welfare receipt were found by the last quarter, although additional data suggest that these effects may diminish beyond the two-year point.

Table 5.1 presents the overall estimates. The table shows that 22.7 percent of controls and 22.3 percent of experimentals were employed at some point during the follow-up -- approximately the same rates. Earnings from quarters 2 through 6 totaled $712 on average for controls and $713 for experimentals -- again, virtually no difference. There were other slightly positive or negative experimental-control differences in many quarters, but

TABLE 5.1

WEST VIRGINIA

ALL AFDC: IMPACTS OF THE CWEP PROGRAM
(JULY 1983 - APRIL 1984 IMPACT SAMPLE)

Outcome and Follow-Up Period	ALL AFDC: New and Prior Registrants		
	Experimentals	Controls	Difference
Ever Employed, Quarters 2 - 6 (%)[a]	22.3	22.7	-0.4
Average Number of Quarters With Employment, Quarters 2 - 6[a]	0.58	0.62	-0.04
Ever Employed (%)			
Quarter of Random Assignment	8.4	9.2	-0.8
Quarter 2	9.2	9.8	-0.8
Quarter 3	10.9	11.2	-0.3
Quarter 4	12.0	13.1	-1.0
Quarter 5	12.7	13.8	-1.1
Quarter 6	13.4	13.8	-0.4
Average Total Earnings, Quarters 2-6 ($)[a]	712.51	712.20	+ 0.32
Average Total Earnings ($)			
Quarter of Random Assignment	69.47	73.32	- 3.85
Quarter 2	100.56	94.55	+ 6.01
Quarter 3	133.08	112.21	+20.87
Quarter 4	148.00	154.66	- 6.66
Quarter 5	162.46	173.19	-10.73
Quarter 6	168.42	177.59	- 9.17
Ever Received Any AFDC Payments, Quarters 1 - 7 (%)	96.8	96.0	+0.8
Average Number of Months Receiving AFDC Payments, Quarters 1 - 7	14.26	14.46	-0.21
Ever Received Any AFDC Payments (%)			
Quarter of Random Assignment	94.2	93.2	+1.0
Quarter 2	87.6	86.7	+0.9
Quarter 3	78.0	79.0	-1.0
Quarter 4	70.9	72.5	-1.5
Quarter 5	65.5	67.8	-2.3
Quarter 6	61.8	63.5	-1.7
Quarter 7	57.8	60.7	-2.8*
Average Total AFDC Payments Received, Quarters 1 - 7 ($)	2681.37	2721.40	-40.03
Average AFDC Payments Received ($)			
Quarter of Random Assignment	452.44	449.38	+ 3.06
Quarter 2	459.39	453.75	+ 5.65
Quarter 3	410.61	412.52	- 1.91
Quarter 4	369.70	376.69	- 6.99
Quarter 5	335.96	350.84	-14.88*
Quarter 6	328.52	337.47	- 8.96
Quarter 7	324.77	340.76	-15.99*
Sample Size	1845	1834	

(continued)

TABLE 5.1 (continued)

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment
Insurance earnings records.

NOTES: The earnings and AFDC payments data include zero values for sample
members not employed and for sample members not receiving welfare. Estimates are
regression-adjusted using ordinary least squares, controlling for pre-random
assignment characteristics of sample members. There may be slight discrepancies in
calculating sums and differences due to rounding.

For employment and earnings, the quarter of random assignment refers
to the calendar quarter during which an individual was randomly assigned. For AFDC
payments, the quarter of random assignment refers to the three months beginning with
the month in which an individual was randomly assigned.

Quarter 1, the quarter of random assignment, may contain some earnings
from the period prior to random assignment and is therefore excluded from the
measures of total follow-up employment and earnings.

A two-tailed t-test was applied to differences between experimental
and control groups. Statistical significance levels are indicated as: * = 10
percent; ** = 5 percent; *** = 1 percent.

these never approached statistical significance, indicating no underlying differences in employment or earnings between research groups.

Chapter 3 pointed out that some women might have taken jobs (such as domestic positions) in which earnings were not required to be reported to the UI system. Also, several of the research areas were located on state boundaries, and some people might have worked in neighboring states. If underreporting of earnings occurred because of these factors, average outcomes for both experimentals and controls would have been higher than those found in this table. Experimentals and controls, however, were subject to the same UI reporting requirements, and randomization across areas should have caused both groups to have similar access to such employment. Nevertheless, if there are impacts for employment or earnings, they are likely to be underestimated because of this earnings problem.

The absolute levels of employment shown for controls indicate that normal employment rates for this population are low. Even allowing for underreporting, income from employment appears substantially lower than that from welfare payments throughout the follow-up. Welfare payments in themselves, however, were not substantial. West Virginia is a relatively low-grant state, and few individuals (less than 2 percent of the impact sample) were able to work and supplement their earnings with welfare.[4] Virtually any steady employment in West Virginia will disqualify a person from receiving welfare.

One contributing factor to low employment was the normally weak labor market in West Virginia, aggravated during the research period by the nationwide economic recession. The average statewide unemployment rate at the start of the demonstration was high, peaking at 18.0 percent in 1983,

the highest in the nation at that date, and decreasing only to 13.1 percent in 1985.[5]   Although the labor market improved over time, it remained generally poor.

Even given these conditions, the average rate of control employment did increase slightly from quarters 2 through 6 (from 9.2 percent to 13.8 percent).   This increase reflects the typical job finding behavior of welfare clients in a weak, though improving, labor market.   In a stable economy with low unemployment, job opportunities would have been more abundant for both control and experimental groups, but the benchmark set by the control group employment rates would have also been higher.   It is therefore not possible to determine exactly what effect West Virginia's labor market had on the impact of CWEP for AFDCs.

The lack of employment or earnings gains may also be related to local attitudes and the level of clients' skills.   In West Virginia -- a relatively traditional state -- child care rather than employment is considered the primary responsibility of mothers.   The Department of Human Services, therefore, placed a higher priority on program participation and employment for the primarily male AFDC-U caseload than for the female recipients. This background also helps to explain the women's poor prior employment history.   It was difficult, for example, to find women with the skills needed for the available CWEP clerical positions.[6]

Program design may also explain the findings.   No formal job search component linked the subsidized work experience and the private labor market.   Since the women had little prior employment, they may not have been familiar with the techniques or strategies needed to find private sector jobs.   Evidence from other states in MDRC's Demonstration of State

Work/Welfare Initiatives indicates that intensive job search training under supervision in urban settings can produce substantial employment gains for women without a recent work history. Whether this would have worked in West Virginia's rural and weak labor market remains an open question.

Despite the absence of measured employment gains, there were some welfare savings, although a statistically significant reduction in welfare incidence did not occur until the seventh and last quarter of follow-up. At that point, AFDC receipt had decreased by 2.8 percentage points from the control group mean of 60.7 percent (to 57.8 percent for experimentals). In this same quarter, welfare payments were down from the control group level of $341 to an average $325 per experimental, a $16 difference amounting to a 4.7 percent reduction in benefit expenditures.[7]

These impacts may not, however, persist. Quarter by quarter, the impacts had increased over the research follow-up period, but some evidence suggests that this trend may not continue very long beyond the observation period. In particular, the data in a longer-term follow-up of the earliest group of enrollees suggest that the experimental-control differential may begin to narrow after seven quarters. (See Section III.D.)

These findings prompt the question: If employment did not increase, why were there welfare savings, even modest ones? Research has found that welfare savings can be realized without corresponding employment gains in several ways. One possible explanation in West Virginia is that, by working more closely with the women in CWEP, staff were aware of recent earnings changes and could more quickly and accurately calculate grant adjustments. However, a special study in which MDRC examined the case files of a sample of both experimentals and controls found a high level of

grant recalculation that was no more frequent for the experimentals than for controls.[8] In fact, MDRC field staff observation suggests that case-workers knew personally the family and employment circumstances of most clients, regardless of research group affiliation.

Some individuals may have decided to leave welfare rather than parti-cipate in CWEP, perhaps because they did not want to jeopardize jobs in the private sector they already had, or because they had access to income from a spouse or other family members.[9] In either of these circumstances, welfare reductions could have occurred without earnings gains.

III. Short-Term Impacts for AFDC Subgroups

The subgroup analyses presented below were designed to address the question: Does CWEP, as implemented for AFDCs in West Virginia, produce larger impacts for any particular subgroup?

In summary, no significant improvement in employment was found for any subgroup of the AFDC sample, mirroring the results for the sample as a whole. On the welfare side, past research has often found that a larger share of welfare savings can be attributed to the positive outcomes of more dependent subgroups: i.e., those with higher levels of welfare receipt. There were, however, no larger welfare reductions for the more disadvantaged subgroups in West Virginia. In fact, it was the less rural client, with a high school diploma or a shorter history of welfare receipt, who appeared to garner the bulk of AFDC benefit reductions. The grant reduction for this recipient averaged from 8 to 10 percent of the ordinary welfare outlay per control during the last follow-up quarter.

Table 5.2 presents impacts in the final quarter of follow-up for

TABLE 5.2

WEST VIRGINIA

ALL AFDC: IMPACTS OF THE WEST VIRGINIA CWEP PROGRAM,
BY SELECTED SUBGROUPS
(JULY 1983 – APRIL 1984 IMPACT SAMPLE)

Characteristic	Percent of Sample	All AFDC: New and Prior Registrants					
		Employed During Sixth Quarter of Follow-Up (%)			Average AFDC Payments Received In Seventh Quarter of Follow-Up ($)		
		Experimentals	Controls	Difference	Experimentals	Controls	Difference
AFDC Status							
Prior Registrants	70.7	12.4	11.8	+ 0.5	361.25	376.59	– 15.34
New Registrants	28.3	15.8	18.5	– 2.7	236.76	254.32	– 17.56
Length of Prior AFDC History							
Two Years or Less	45.7	17.1	17.3	– 0.2	253.98	277.85	– 23.87*
More Than Two Years	54.3	10.2	10.8	– 0.6	384.41	393.77	– 9.36
Areas							
Hu.tington, Wheeling, Parkersburg	45.4	13.7	14.0	– 0.3	305.76	332.73	– 26.97*
All Others	54.6	13.1	13.6	– 0.5	340.57	347.43	– 6.86
Number of Children[a]							
One	38.1	16.2	14.9	+ 1.3	245.53	264.83	– 18.30
More than One	60.8	11.5	13.1	– 1.5	375.55	389.41	– 13.87
Employed During Year Prior to Random Assignment[b]							
Yes	17.9	31.8	34.6	– 2.8	229.69	239.99	– 10.30
No	82.1	8.3	8.2	+ 0.1	345.53	362.76	– 17.22
High School Diploma[c]							
Yes	45.9	18.1	18.7	– 0.6	286.57	319.49	– 32.92**
No	54.1	8.3	8.6	– 0.3	356.85	358.58	– 1.63
Sample Size		1845	1834		1845	1834	

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance records.

NOTES: The AFDC payments data include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. There may be slight discrepancies in calculating sums and differences due to rounding.

(continued)

TABLE 5.2 (continued)

"Percent of Sample" may differ slightly from demographic tables of Chapter 3 because 15 cases with missing data were dropped from the impact sample.

Subgroup impacts are produced from coefficients of treatment-subgroup interaction terms for a regression run on the full AFDC sample. Interactions are not simultaneous: only one set of treatment-subgroup dummies was entered in the equation at a time.

[a] Individuals who reported zero for number of children were considered to have more than one child.

[b] Persons were considered employed during the year prior to random assignment if they had UI earnings in any of the four prior quarters.

[c] The high school diploma category includes individuals with a General Equivalency Diploma.

A two-tailed t-test was applied to differences between experimentals and controls. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

selected subgroups. In the case of this table, the last quarter was chosen because it can best indicate the possible long-run effects of CWEP. Since the subgroup samples are each only a fraction of the full sample, any impacts for these subgroups are less precise and less likely to attain statistical significance than estimates of impacts for the full sample.

A more complete discussion follows below on subgroups of particular policy interest.

A. New Registrant/Prior Registrant Impacts

Variables representing pre-program welfare tenure may predict future dependency. Therefore, impacts were calculated separately for the two main subgroups: new registrants and prior registrants, who together make up the full sample; (29 percent were new registrants; 71 percent prior registrants). Prior registrants were already on welfare and registered with WIN prior to the start of research in July 1983.[10] New registrants entered the research sample because they had just been found WIN-mandatory, whether at the time of a recent welfare application or during the redetermination procedure for on-board welfare recipients.

The analysis shows that, as expected, new registrant controls were somewhat less dependent and more able to find jobs than were prior registrant controls. Table 5.2 shows that the employment rate was 18.5 percent for new registrant controls in quarter 6 but only 11.9 percent for prior registrant controls. New registrant controls averaged $254 in AFDC payments in quarter 7, only two-thirds of the $377 paid to prior registrants. Despite these differences, neither subgroup experienced statistically s' aificant employment gains in the final quarter of follow-up. Welfare impacts were also not statistically significant for

these subsamples; they were not noticeably different from each other or from those for the full sample. (See Appendix Tables C.1 and C.2 for a complete set of quarter-by-quarter impact estimates for new and prior registrants.)

Another measure of prior welfare tenure did, however, suggest possible differences between those on the rolls for a short time and those on the rolls longer. Individuals with their own AFDC cases for two years or less experienced statistically significant welfare reductions of $24 during the last follow-up quarter. The average payment of $254 for experimentals is an 8.6 percent reduction from the control group mean of $278. In contrast, the difference in welfare payments for experimentals on the rolls for more than two years amounted only to $9, a not statistically significant difference. This measure of prior welfare receipt split the full sample more evenly than the new registrant/prior registrant grouping, an important statistical consideration that may account for the different results. Nevertheless, these findings should be taken as only suggestive; the sample sizes were not large enough to recommend enrolling one subgroup in preference to the other in a CWEP initiative.

B. Impacts for Less Rural Areas

The combined areas of Huntington, Parkersburg and Wheeling contained 45 percent of the sample. These three areas ranked first, second and third in the proportion of urban population, and first, second and fourth in both total population and proportion of the labor force involved in manufacturing.[11]

As seen in Table 5.2, separate impact estimates for sixth-quarter employment and seventh-quarter average welfare payments were prepared for

this area cluster and the balance of the sample as part of the subgroup analysis. Although neither cluster showed employment gains, statistically significant welfare savings were concentrated in the less rural areas. As above, the magnitude of the difference is large enough only to be suggestive, but these findings are similar to those in an urban/rural subgroup analysis performed for a program in Virginia as part of the Demonstration of State Work/Welfare Initiatives.[12] The Virginia findings, also based on small subsamples, pointed to statistically significant welfare savings for urban areas that were somewhat larger than savings in the rural areas.

C. Impacts by Level of Employability

Three measures of employability -- number of children, year-prior employment and the presence of a high school diploma -- all failed to reveal impacts on employment for experimentals (the left-hand side of the columns in Table 5.2). Lack of a work history or a diploma do constitute significant barriers to employment: controls with either of these characteristics were employed at a rate of less than 10 percent in quarter 6. Holding a diploma nearly doubled this rate (to 18.7 percent), while recent prior earnings more than tripled it (to 34.6 percent). In contrast, the number of children made almost no difference in the propensity of controls to work. However, it is worth repeating that no subgroup distinguished by these characteristics showed employment gains from the CWEP initiative.

Corresponding differences among controls, though not as pronounced, were also found in welfare outcomes. Receipt was higher for controls with more children or without prior earnings or a diploma. Among these categories, only the no-diploma experimental subgroup showed statistically

significant welfare savings, a $33 reduction amounting to 10.3 percent of the corresponding control group base of $319 for the quarter.

D. Impacts During the Base Period for Projection

The main focus of this chapter has been the program's impacts over six or seven quarters from random assignment. However, future program effects are also important in comparing the program's benefits to its costs over time -- as in the next chapter. Some program benefits and costs may occur after the relatively short follow-up period as participants continue to work in their CWEP slots or as they find jobs or leave welfare for other reasons. Therefore, a longer period -- five years -- is used in the analysis of benefits and costs.

As discussed in more detail in Chapter 6, future program benefits are estimated by extending, or projecting, the impacts observed from tracking data during the last two quarters of follow-up for each sample member. A number of assumptions are made about the direction and rate at which these impacts will change. The last two follow-up quarters are used as the base period for projections because they are more likely to provide accurate indications of future patterns than earlier quarters.

Since sample members entered the study on different dates, the base period quarters for individuals occurred at different points in time, depending on a person's date of random assignment. For example, for the earliest sample members who were randomly assigned during July, August and September 1983, the base period for earnings was their eighth and ninth follow-up quarters. For those randomly assigned during April 1984, the base period was their fifth and sixth follow-up quarters. For each sample member, data collected during the study period were combined with estimates

of future benefits to cover a five-year period. (Chapter 6 discusses the assumptions used in projecting effects beyond the observation period.)

Experimental-control differences in the projection base period were small. These estimates support this report's overall conclusion of no earnings impacts and also indicate that the modest welfare impacts may fade after about two years of follow-up. The negative quarterly earnings differential of $11 in the last two quarters was not in the range of statistical significance. Quarterly welfare savings of $4 were not statistically significant and were lower than earlier quarter 7 welfare savings.

Although no short-term differences in impacts were found for new compared to prior registrants, longer-term differences were evident. Among new registrants, experimentals received $33 less in earnings per quarter than controls and $10 less in welfare payments. Although neither of these differences is statistically significant, they suggest that the benefit-cost analysis will project some welfare savings for new registrants along with an earnings loss of larger magnitude. Over the base period, the experimental-control differential for prior registrants was less than that for new registrants; the estimated earnings loss and welfare savings were each $2.

CHAPTER 6

AFDC BENEFIT-COST ANALYSIS

This chapter assesses the benefits and costs of CWEP for AFDC women in West Virginia. It draws on the findings of the process and impact analyses and in addition utilizes data collected specifically for the benefit-cost analysis. A benefit-cost analysis is a useful way to compare the effects of programs to their costs, and to assess the overall value of a program. Applying techniques developed in previous evaluations of social programs,[1] the evaluation assesses CWEP from the viewpoints of AFDC applicants and recipients served by the program, government budgets, taxpayers and society as a whole.

This chapter focuses on the key aspects of the analysis and its results, rather than on the many calculations performed. The chapter begins with an overview of the analytical approach, presents the various kinds of benefits and costs, and then tallies these benefits and costs to produce the overall results. It will consider the distributional effects of the program as well as its usefulness to society as a whole. An assessment of the policy significance of the results will conclude this chapter.

Readers who are interested in the technical aspects of the benefit-cost evaluation, as well as in further details on data sources, should consult an earlier paper which documented these features of the analysis.[2]

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I.   The Analytic Approach

The analysis examines differences in outcomes between experimentals and controls in order to address the question: What are the average benefits and costs of the CWEP program per experimental, above and beyond what would have happened in the absence of the program? It is important to recognize that these estimates are averages calculated for the experimental group as a whole -- both those members who participated in the program and those who did not, the latter group including some who were never approved for welfare. The main reason for including nonparticipants is that it is very difficult to statistically isolate effects on nonparticipants from those on participants. Moreover, some costs are associated with nonparti-cipants, including those of reviewing their reasons for not participating and those of any sanctioning for noncompliance.

In determining the benefits and costs of the CWEP program, the analysis estimates the value of the program's effects on several tangible outcomes, and the costs of the resources used in producing those effects. The outcomes considered include experimental-control differences in the following:

- Value of Services Provided by CWEP Participants

- Earnings and Fringe Benefits

- Tax Payments

- AFDC Payments

- Medicaid Payments

- Food Stamps Payments

- Unemployment Insurance Payments

- Transfer Program Administrative Costs

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The analysis weighs these program effects against two types of costs:

- Operating Costs of the Program

- Expenditures for Allowances and Support Services

In the resource-cost approach used in this analysis, program effects are valued in terms of the resources produced, saved or used as a result of CWEP. Experimental-control differences in earnings, transfer payments, CWEP stipends and support services other than child care were regression-adjusted to control for pre-random assignment characteristics.3 Program effects on earnings, AFDC benefits and Unemployment Insurance compensation are directly measured in dollar amounts. These outcomes were estimated using the Unemployment Insurance records and AFDC data described in Chapter 3. Taxes, Medicaid, Food Stamps and transfer program administrative costs were imputed rather than directly measured; the UI records and AFDC data, together with information on taxes and other transfer programs, provided the basis for t · estimates.

Finally, program operating costs and the benefits of CWEP services were estimated from experimental-control differences in the length of CWEP and overall program enrollment, which were measured using WIN Information system (WIS) data and information collected on post-observation enrollment. Those outcomes that are not directly measured or imputed in dollar amounts were valued in dollars using the worksite survey described in Chapter 2, published data and program expenditure records.

This resource-cost approach is practical, consistent and relatively easy to interpret. However, it accurately values tangible effects only insofar as the social demand for these resources is reflected by the cost

estimates.[4]   Moreover, dollar values cannot be ascribed to intangible effects, which may be important in an overall assessment of the program.

For the AFDC group, the data used to estimate various benefit and cost components cover an observation period beginning in July 1983. The end of the observation period varies by data source from December 1984 (for program enrollment data on the full research sample) to January 1986 (for AFDC records data). Given that random assignment of the AFDC group occurred between July 1983 and April 1984, the length of observation ranges between 9 and 31 months depending on the time of a person's registration and the data source. For example, for a person randomly assigned in July 1983, the length of observation for earnings data is 27 months, while an applicant enrolling during April 1984 had an earnings follow-up of 18 months. In many cases, registrants were still in the program at the end of the observation period.

An important aspect of the analysis is that observed effects are used to estimate benefits and costs per experimental over a five-year time horizon (starting with each person's random assignment to the research sample). In addition to costs incurred during the period for which tracking data is available, the analysis considers the costs of the program over the entire five-year period since the length of CWEP participation was limited only by the length of time a person remained on welfare. Some of the benefits could also accrue beyond the period of data collection. Therefore, the analyst estimates the benefits and costs after data collection based on assumptions about the way in which effects calculated for the observation period are changed after it ended.

II. Benefits

The potential benefits of CWEP are increased output in CWEP assignments and in regular jobs, increased tax payments due to the increased earnings and reduced dependence on transfer programs. These benefits will be discussed in turn.

A. Observed In-Program Output

CWEP participants were assigned to work experience positions in government agencies and nonprofit organizations and provided labor while obtaining job experience. Experimentals th   produced valuable goods and services during community work experic   in general, members of the control group did not. (Since a f~   . the control group did participate in CWEP, this analysis uses th   perimental-control differences in days assigned to CWEP.) Given the design of the program, particularly the unlimited duration of CWEP, output during work assignments was an important benefit of the program. For more information about the CWEP assignments, see Chapter 2.

In keeping with the resource-cost approach, the value of this output was estimated as the supply price of the labor service provided -- that is, the cost to an agency of obtaining alternative labor to supply the same service. Data from the worksite survey and the WIN Information system were used to calculate the value of this output.

First, the productivity of AFDC participants in CWEP relative to regular workers was estimated by supervisors who participated in the worksite survey. The survey revealed that worksite supervisors considered that CWEP workers, on average, were as productive or even slightly more productive than regular workers: the productivity ratio was 1.08. This

productivity ratio was multiplied by the regular workers' average wage rate ($3.59), and then marked up by 15 percent for fringe benefits[5] to result in the average value of CWEP work per hour[6]: $4.41 an hour as shown in Table 6.1. That is, under the assumptions of this analysis, the participating agencies would have had to pay $4.41 an hour in wages and fringe benefits to hire someone else to do the amount of work performed on average by a CWEP worker. The value of CWEP work per hour was multiplied by the average number of hours participants worked per assignment day (1.77). The resulting figure for the value of work per assignment day was then multiplied by the experimental-control difference in average days assigned to CWEP per experimental (45).[7]

Using this approach, the experimental-control difference in the value of the output produced by CWEP participants during the observation period was estimated to be $350 per AFDC experimental. Since a higher proportion of prior registrants than new registrants participated in CWEP, and the prior registrants stayed in CWEP longer than the new registrants, the value of CWEP output for prior registrants was considerably higher: $417 for the former compared to $192 for the latter.

B.   Post-Observation In-Program Output

Observation of program enrollment for the full sample ended in December 1984, but many CWEP participants remained in worksites after that time. Post-observation in-program output was estimated using data that were available through 15 months from random assignment for the early enrollees (who entered the research sample from July to September 1983) and using data that were gathered beyond December 1984 for a random sample of 146 of these early enrollees[8] followed through April 1986.[9] The estimate

TABLE 6.1

WEST VIRGINIA

AFDC: ESTIMATED NET[a] VALUE OF CWEP OUTPUT PER EXPERIMENTAL

| | Value of Output Components | | | | | |
AFDC Sample	A Average Days Assigned Through 12/84[b]	B Average Days Assigned 1/85 Through Five Years From Random Assignment[c]	C Average Total Days Assigned (A+B)	D Average Hours Worked Per Day Assigned[d]	E Value of CWEP Work per hour	F Total Value of Output (C x D x E)
Full Sample	45	71	116	1.77	$4.41	$903
New Registrants	25	45	69	1.77	$4.41	$542
Prior Registrants	54	82	136	1.77	$4.41	$1059

SOURCE: MDRC calculations from the MDRC worksite survey, West Virginia Report of Service Activity (ROSA) data, and the West Virginia WIN Information system.

NOTES: The results are based on a sample of 1845 experimentals and 1834 controls, and are expressed in 1984 dollars. Because of rounding, detail may not multiply to totals.

[a] The net cost or benefit is the value of that cost or benefit per experimental minus the value per control.

[b] Assignment days include all non-work days and weekends from first participation day to last. The values in columns A, B, and C represent experimental-control differences in assignment days per experimental.

[c] The observation period for the full sample was through December 1984. Additional enrollment information was collected for a random sample of 146 experimentals and controls still enrolled in December 1984. This information was used to estimate value of output for experimentals and controls through five years from random assignment.

[d] Average hours worked per day assigned were estimated from worksite survey data on the number of hours individuals worked per month assigned to CWEP.

of post-observation CWEP output amounted to $553, based on an estimate of 71 CWEP assignment days during this period.[10] As seen in Table 6.1, the total experimental-control difference in value of output was $903 for the full sample, $542 for new registrants and $1,059 for prior registrants. Throughout this chapter, the term "net" will be used to refer to experimental-control differences; for example, the net value of output means the value of output for experimentals minus the value of output for controls.

Policymakers may be interested in the value of output per CWEP participant rather than the net value of output per experimental. (As stated at the outset of this chapter, the experimental group contains nonparticipants as well as participants.) The gross value of CWEP output averaged $3,359 per CWEP participant from the experimental group, based on an average of 431 days that participants were assigned to CWEP.

Three important caveats about the value of in-program output should be considered. First, unlike regular labor market output, the CWEP output was produced under conditions in which employers did not demonstrate a willingness to pay for it: employers obtained labor services through CWEP at no direct cost. Thus, the supply price of the output does not necessarily reflect demand for the output, although there is evidence that the demand was substantial.[11]

Second, the value of CWEP jobs to the participants themselves is difficult to determine in dollars. As noted in the first report, the worksite survey indicated that the majority of participants were satisfied with the work requirement and liked their jobs. Although any increase in participants' well-being through working is an intangible benefit not included

in this benefit-cost analysis, it should be kept in mind when assessing the full benefits of the program.

Third, experimentals in their CWEP assignments (and in regular jobs) could have displaced other workers, who might have subsequently become or remained unemployed. To the extent displacement occurred, the net value of the increased output to society would be reduced by the output produced by the displaced workers. As it turned out, evidence suggests that the short-term displacement caused by CWEP jobs was minimal.[12]

C. Other Observed Benefits

1. _Earnings_. Although the experimentals produced more in-program output than controls, Chapter 5 indicated that their earnings did not increase from regular employment by the end of the observation period. For the AFDC group as a whole, the experimental-control earnings difference during the observation period was a negligible -$2, as seen in Table 6.2. Among new registrants, experimentals earned $200 less than controls. In contrast, for prior registrants, experimentals' earnings increased by $79 over controls. These results were calculated for the full observation period, extending beyond the fixed follow-up reported in Chapter 5 to the end of data collection in September 1985.

Table 6.2 also presents the estimated value of fringe benefits earned on regular jobs. Fringe benefits were estimated as 18 percent of earnings, based on national employment compensation data for the types of low-wage jobs typically held by experimentals and controls.[13] Since fringe benefits are directly related to earnings effects and such effects were negligible, the full sample also showed no overall gain or loss in fringe benefits. The experimental-control difference in fringe benefits was positive ($14)

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TABLE 6.2

WEST VIRGINIA

AFDC: ESTIMATED EXPERIMENTAL-CONTROL DIFFERENCES IN EARNINGS,
FRINGE BENEFITS, AND TAXES PER EXPERIMENTAL
FOR THE OBSERVATION PERIOD[a], BY WELFARE STATUS

Component of Analysis	Full Sample	New Registrants	Prior Registrants
Earnings	-6.	-$200	$79
Fringe Benefit	0[b]	-36	14
Taxes			
Federal Income Tax	8	1	10
State Income Tax	0[b]	-2	1
Social Security Tax	0[b]	-14	5
State Sales and Excise Taxes	-1	-3	0[b]
Total Taxes	7	-18	18
Sample size	3678	1078	2601

SOURCE: MDRC calculations from Unemployment Insurance records and from published data on tax rates and employee fringe benefits.

NOTES: Differences are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.   Because of rounding, detail may not sum to totals.

[a]The end of the observation period was September 1985 for Unemployment Insurance earnings records.

[b]Estimated value less than $0.50 and greater than -$0.50.

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for prior registrants and negative for new registrants (-$36).

2. __Increased Tax Payments__. Experimentals' reductions in earnings from regular jobs resulted in some tax increases and some decreases, depending on the AFDC subgroup and type of tax. For the full sample and prior registrants, total tax payments increased ($7 and $18, respectively), while the new registrants paid less taxes overall (-$18). These taxes were imputed based on experimentals' earnings (total earnings in the case of payroll and sales t ِس, earnings over a base   nt for income taxes), other income (for sales taxes), marital status and dependents, the relevant tax rates and average consumption patterns. The resulting estimates are consequently experimental-control differences in taxes due according to the law.[14]

3. __Reduced Dependence on Transfers__. Despite the lack of positive earnings impacts, experimentals d'd reduce their overall dependence on public transfer programs. They received less AFDC than their control counterparts, although this effect was offset somewhat by increases in Food Stamps and Unemployment Compensation.

Changes in four types of transfers were estimated: welfare (AFDC), Unemployment Insurance, Food Stamps and Medicaid. For the benefit-cost analysis, experimental-control differences in welfare benefits were calculated from AFDC records data for the full follow-up period -- as opposed to the fixed period covered in the impact analysis. The benefit-cost analysis also drew information on UI benefits from UI records. Differences in the other transfer payments were not directly measured, but were estimated using various data sources. Food Stamp differences were imputed on the basis of household income (including earnings, AFDC and UI) and the

earnings disregard (18 percent of earnings) as well as estimated child-care and medical deductions -- all of which were used to determine both Food Stamp eligibility and the amount of benefits.[15] Finally, differences between experimentals and controls in the number of months of Medicaid eligibility were estimated based on the assumption that individuals who left the AFDC rolls were eligible for Medicaid for four additional months.[16] The value of the average monthly Medicaid payment made to public assistance recipients on Medicaid in West Virginia during 1984 was used to estimate experimental-control differences in Medicaid payments.[17]

Results for the observation period are presented in Table 6.3. The AFDC payments to the experimental group decreased by $57 for the full sample, $55 for new registrants, and $58 for prior registrants. The full sample and the prior registrants also received less Medicaid than corresponding controls, but the program had no effect on Medicaid for new registrants. This reflects the fact that new registrants did not experience reductions in welfare incidence, despite reductions in welfare payments.

Results for other transfers show little additional savings beyond those observed for AFDC and Medicaid. Unemployment Insurance was virtually similar for experimentals and controls. Second, estimated Food Stamp transfers increased, in particular for new registrants. This increase in Food Stamps resulted from the decreases in earnings and in AFDC payments received by experimentals, both of which are used in calculating the Food Stamp grant.

The overall reduction in transfer payments to AFDC experimentals was $62 dollars per experimental. The net reduction for prio. registrants

TABLE 6.3

WEST VIRGINIA

AFDC: ESTIMATED EXPERIMENTAL-CONTROL DIFFERENCES IN TRANSFER PAYMENTS
AND ADMINISTRATIVE COSTS PER EXPERIMENTAL
FOR THE OBSERVATION PERIOD[a], BY WELFARE STATUS

Type of Payment or Cost	Full Sample	New Registrants	Prior Registrants
Transfer Payments			
AFDC	-$57	-$53	-$58
Unemployment Compensation	2	2	1
Medicaid	-25	0[b]	-35
Food Stamps	18	42	9
Total Transfer Payments	-62	-11	-80
Administrative Costs			
AFDC	-6	1	-9
Unemployment Compensation	0[b]	0[b]	0[b]
Medicaid	-2	0[b]	-2
Food Stamps	1	3	1
Total Administrative Costs	-7	4	-11
Sample Size	3679	1078	2601

SOURCE: MDRC calculations from AFDC and Unemployment Insurance payments records,
published data on Medicaid costs and welfare administrative costs, and the West Virginia
WIN Information System.

NOTES: Differences are regression-adjusted using ordinary least squares,
controlling for pre-random assignment characteristics of sample members. Because of
rounding, detail may not sum to totals.

[a]The end of the observation period was January 1986 for AFDC records,
December 1985 for Unemployment Insurance benefits records, and September 1985 for
Unemployment Insurance earnings records.

[b]Estimated value less than $0.50 and greater than -$0.50.

was larger ($30) than for new registrants ($11). The difference between reductions for prior and new registrants is largely due to the estimated program effects on Medicaid and Food Stamp payments.

In addition to the changes in transfer payments, the program could influence the administrative costs of making these payments. Changes in the administrative costs incurred by the AFDC program were estimated by multiplying the experimental-control difference in months enrolled by the average administrative cost per month per enrollee. Changes in administrative costs for Medicaid, UI and Food Stamps were estimated by multiplying the experimental-control differences in transfer payments by the estimated average administrative cost per dollar of transfer. The administrative cost figures were derived from data for the State of West Virginia and the federal government.[18]

The resulting estimates in Table 6.3 generally mirror the findings for transfer payments. The estimated administrative cost savings were $7 per experimental in the full sample, with most of the savings coming from the AFDC program. The changes in administrative costs were near zero, with small increases for new registrants and generally small reductions for prior registrants.

D. Other Post-Observation Benefits

The benefits discussed thus far were estimated for the observation period only. However, the analysis also assesses the benefits that occur after this period from increased output and taxes and reduced dependence on transfers. To calculate these benefits, assumptions were made about how the size of the impacts changed after the observation period. The following explanation of the procedure used to estimate post-observation effects

discusses the base estimate, time horizon, decay rate and discount rate.

First, the base estimate selected for projection was the experimental-control impact difference (for example, the difference in earnings) for the last two quarters of the observation period. (For the earnings data, this period covered April through September 1985). This was the most recent evidence available, and therefore the most appropriate basis for projection. Chapter 5 presented the experimental-control differences in earnings and AFDC payments in these last two quarters. For the benefit-cost analysis, program effects during this base period were also estimated for fringe benefits, tax payments, non-AFDC transfers, and transfer program administrative costs, using the same procedures used to measure or impute values for the observation period. Table 6.4 shows the base period impacts that were used to estimate program benefits through five years.

Second, the time horizon over which the benefits were projected was set at five years from the point of random assignment. This is approximately the average length of time AFDC applicants remain on the rolls nationwide.[19] In order to estimate benefits for the AFDC sample over this five-year period, benefits had to be projected into the future for different lengths of time, depending on the date of random assignment for each person. For example, for someone enrolling in July 1983, the observation period was approximately 10 quarters (with the length of the period varying by data source); for a person enrolling at this point, benefits were projected for about two and a half years. For a person enrolling in April 1984, however, only seven quarters could be observed, so the projection period covered more than three years.

Third, the decay rate is the rate at which the base estimate is

TABLE 6.4

WEST VIRGINIA

AFDC: ESTIMATED BENEFITS DURING THE OBSERVATION PERIOD,
PROJECTION PERIOD, AND AT FIVE YEARS AFTER RANDOM ASSIGNMENT, PER EXPERIMENTAL

| Benefit Variable | Observation Period[a] | | Projection Period | | Five Year Total |
	Common Follow-up	Additional Follow-up	Projection Base[b]	Projected Amount	(Observed Plus Projected)
Earnings	$0[c]	-$2	-$c1	-$85	-$87
Fringe Benefits	0[c]	0[c]	-4	-15	-16
Tax Payments	5	2	-1	-4	3
AFDC Payments	-39	-16	-8	-30	-85
Other Transfer Payments	-3	-2	3	13	7
Transfer Program Administration	-4	-2	0[c]	-3	-10

SOURCE: MDRC calculations from worksite survey; Unemployment Insurance
earnings and payments records; AFDC payments records; published data on Medicaid
costs; welfare administrative costs, tax rates and employee fringe benefits and the
West Virginia WIN Information System.

NOTES: Results are expressed in 1984 dollars and therefore will not precisely
match observed results presented in Tables 6.2 and 6.3.   Because of rounding, detail
may not sum to totals.

[a] Based on available follow-up data.

[b] The projection base period is the last two quarters of available
follow-up for an individual.   Program effects observed during this base period are
multiplied by a projection factor to estimate benefits from the end of the
observation period to five years from the point of random assignment.   Projection
estimates assume impacts decline at an annual rate of 22 percent after observation
period.

[c] Estimated value less than $0.50 and greater than -$0.50.

assumed to change over time. The fact that a large number of registrants remained enrolled in the program at the end of the observation period makes it difficult to predict long-term trends accurately from the available data. Therefore, different assumptions were used to compute a range of estimates. One assumption was that the magnitude of the experimental-control difference observed during the base period continued unchanged during the extrapolation period. This assumption is supported by some studies of employment programs for welfare recipients.[20] Another assumption -- that there are no future benefits -- is the same as assuming that decay of the effects in the last two quarters of the observation period is infinitely high. An alternative assumption -- that effects decay, but do not completely disappear -- yields estimates between those derived using the two other assumptions. Most studies suggest that impacts do decline over time. For example, a national study of the WIN Program found that earnings effects decayed at a rate of 22 percent annually for women in the sample.[21] This estimate is used as the decay assumption in all tables that show the program effects through five years from random assignment. Appendix Table I includes the five-year outcomes derived from the other two decay assumptions.

Finally, the discounting procedure adjusted future benefits to their 1984 dollar values.[22] This procedure took account of both inflation and the value of foregone investment after 1984. A real discount rate -- that is, a rate adjusted for inflation -- of 5 percent per year was used for this purpose.[23]

Table 6.4 presents estimates of the benefits in the common follow-up period for which all individuals have data (the follow-up period used in

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Chapter 5); the additional ...w-up period following this common period
(varying in length depending on when an individual was randomly assigned);
and the estimated post-observation or projection period (for which benefits
were estimated from the last two quarters of follow-up for each indivi-
dual). The last column of Table 6.4 shows the total estimated benefits of
CWEP. The projected benefits substantially increased the total benefit
estimates for the AFDC group. The five-year estimate for earnings is
larger than might be expected from the estimated impact for the observation
period (-$2) since the impact in the last two quarters of follow-up, the
base period used for projection, is of greater magnitude (-$21).

III. Costs

    A.   Operating Costs

    Program operating costs were estimated from several data sources,
including the Report of Service Activities (ROSA),[24] program fiscal data,
the WIN Information system, and the special study of post-observation
program enrollment described earlier. Operating costs were estimated for
four major functions that staff performed:

- Intake/assessment

- Compliance Activities

- CWEP worksite development and follow-up

- Job Placement and other activities

These functions are shown in Table 6.5. First, the average cost of each
function was estimated per experimental and per control separately. The
intake/assessment and compliance costs were estimated based on the total
staff time spent on these functions per experimental and per control. The

TABLE 6.5

COST ELEMENTS OF THE COMMUNITY WORK EXPERIENCE PROGRAM, BY PROGRAM STATUS

Program Status	Fixed Costs[a]	Variable Costs[a]
Registrant	Intake/Assessment Compliance	Job Placement and Other Activities
CWEP		Worksite Development/ Ongoing Staff Contact CWEP Transportation Stipend
Any Active Status[b]	Support Services	

NOTES: [a]Fixed costs are determined by an individual's entry into a program status, while variable costs are determined by the length of time the individual remains in that status.

[b]"Any Active Status" refers to the following registrant statuses: CWEP, group or individual job search, skills training, education, OJT, and employment.

costs of the other two functions -- CWEP worksite development and follow-up and job placement and other activities -- were estimated in two steps. For CWEP activities, the cost was calculated per day assigned to CWEP and for job placement and other activities per program enrollment day; these two costs were then multiplied by the average number of days (days assigned to CWEP and program enrollment days, respectively).[25] Finally, the experimental-control differences were estimated for each of the four cost categories.

Table 6.6 presents "net" costs, defined as the cost for experimentals minus the cost for controls. The costs presented in Table 6.6 cover both the observation period and the period from December 1984 through five years from random assignment.[26] The net operating cost per AFDC experimental during the observation period totals $36. The negative costs for intake/assessment and job placement and other activities simply indicate that the cost per control for these categories was slightly higher than for experimentals. This finding is not surprising since CWEP was the only service offered to experimentals that was not offered to controls. Somewhat more time may have been spent by the staff in working with controls in informal job search or other activities, although controls did not participate in formal non-CWEP activities more than experimentals. The net operating cost beyond December 1984 amounted to $71 per AFDC experimental, resulting in a total operating cost of $107 per AFDC experimental. (Costs for compliance and intake/assessment activities were not estimated beyond December 1984; most of these costs were probably incurred during the observation period.)

TABLE 6.8

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AFDC: ESTIMATED NET[a] PROGRAM COSTS PER EXPERIMENTAL

Type of Cost	Observed Costs[b]	Estimated Costs From End of Observation Period Through Five Years From Random Assignment[c]	Total
Program Operating Costs			
Compliance Activities	$1	--[d]	$1
Intake/Assessment	-3	--[d]	-3
CWEP	48	79	127
Job Placement and Other Activities	-10	-8	-18
CWEP Stipends	60	31	91
Child Care	59	--[d]	59
Other Support Services Costs	3	--[d]	3
Total Net Costs	$158	$102	$260

SOURCE: MDRC calculations from West Virginia Report of Service Activity (ROSA) data, the West Virginia WIN Information system, and West Virginia Department of Human Services fiscal data.

NOTES: The results are based on a sample of 1845 experimentals and 1834 controls, and are expressed in 1984 dollars. The differences in CWEP stipends are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Because of rounding, detail may not sum to totals.

[a] The net cost or benefit is the value of that cost or benefit per experimental minus the value per control.

[b] The observation period for the full sample ended in January 1986 for CWEP stipends and May 1986 for child care; all other costs were observed through December 1984.

[c] Additional enrollment information was collected for a random sample of 146 ntals and controls still enrolled in December 1984. This information was used te costs for experimentals and controls through five years from random

[d] These costs were not estimated beyond the observation period.

The observed and future net costs for new registrants and prior regis-trants are presented in Appendix Table D.2. The higher cost of the CWEP component for prior registrants ($152) than for new registrants ($68) directly reflects the fact that the average number of days in CWEP was higher for prior registrants than for new registrants.

B. Allowances and Support Services

The second category of expenditures for CWEP includes allowances and support services paid for by CWEP funds, as well as some child-care services paid for by Title XX funds. (See Table 6.5.) CWEP participants were eligible for transportation stipends and some Title XX child care. Other support services were provided for people in any active program status.[27]

The largest expenditure for support services was for the CWEP trans-portation stipend of $15 to $25 per month. The AFDC automated records provided information on CWEP stipends since the same automated system issued CWEP and AFDC checks. The regression-adjusted experimental-control difference in payment amounts was then adjusted upward to account for manual checks usually issued the first month a person was in CWEP. The average experimental-control difference in stipends was estimated at $60 per experimental during the observation period, with prior recipients receiving more transportation money than new registrants. Since CWEP stipend data were available through January 1986 (instead of the December 1984 cut-off for other cost data), future stipends were estimated from February 1986 through five years from random assignment.[28] Experimentals were estimated to receive an additional $31 over controls in this post-observation period.

Title XX child care was used for a small number of AFDC CWEP partici-
pants.[29] In general, the program placed women in worksites from September
to May and during school hours. (See discussion in Chapter 4.) However,
some CWEP workers felt it would be beneficial for women to continue in
their worksite assignments during the summer months. In the second summer
that CWEP operated (June to August 1985), Title XX child care was used
slightly more than before. Both experimentals and controls may have been
referred to Title XX services when participating in non-CWEP program acti-
vities or when employed. Since the experimental-control differences in
those activities and in employment was near zero, it was assumed that there
was no experimental-control difference in the cost of non-CWEP Title XX
services. The average experimental-control difference in Title XX child-
care costs during the observation period was $59 for the full sample.
(Data limitations prevented assessing this cost beyond May 198, or
estimating differential costs for new and prior registrants.)

Support services other than child care were also used infrequently.
The average expenditure per person enrolled in any active category was
estimated for the period from October 1983 to September 1984, using program
fiscal data and WIS enrollment data.[30] This unit cost per active enrollee
was then multiplied by the regression-adjusted experimental-control differ-
ence in active enrollment for the entire tracking period, resulting in an
experimental-control difference in average payments. The experimental-
control difference in this type of support service payment amounted to only
$3 for the full sample ($2 for new registrants and $3 for prior regis-
trants). As in the case of child care, this cost was not estimated beyond
the observation period.

C. Gross Costs per CWEP Participant

The n osts of the program presented in the previous section were determined considering all experimentals -- both participants and nonparticipants. Another figure -- the average gross cost per CWEP participant -- is important to polimakers. Over the five-year period covered by the analysis, the average gross cost of serving an AFDC experimental who participated in CWEP included $556 for operating the CWEP component itself, $96 for job placement and other activities, $36 for intake and assessment and $10 for compliance activities. In addition, each CWEP participant received, on average, $402 in CWEP stipends, $214 for child care and $13 for other support services.

Thus, the total program cost per AFDC CWEP participant was $1,327 over the five-year period following random assignment. (This figure reflects costs accrued over the five-year period for people who participated in CWEP at some point during the observation period and therefore includes time not in CWEP as well as during participation.)

IV. Overall Results

This section presents overall results from four perspectives by totaling all measured benefits and subtracting costs. Table 6.7 presents the benefits and losses from the perspective of the welfare sample (the program registrants included in this study), estimated for the five-year period. The estimates were calculated per experimental, including nonparticipants as well as participants. For the full sample, experimentals showed an average net loss of $84 per experimental over the five years. Their reduced earnings and AFDC payments plus their out-of-pocket expenses[31]

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TABLE 6.7

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FROM THE PERSPECTIVE OF THE WELFARE SAMPLE

AFDC: ESTIMATED BENEFITS AND LOSSES PER EXPERIMENTAL
AFTER FIVE YEARS, BY WELFARE STATUS

Component of Analysis	Full Sample	New Registrants	Prior Registrants
Benefits			
Increase in Non-AFDC Transfers	$7	$50	-$8
Increased Support Services	153	114	170
Losses			
Reduced Earnings	-87	-454	42
Reduced Fringe Benefits	-16	-82	11
Increased Tax Payments	-3	47	-24
Reduced AFDC Payments	-85	-124	-69
Out-of-Pocket Expenses[a]	-5	-32	-62
Net Gain or Loss[b]	-$84	-$481	$80

SOURCE: MDRC calculations from WIS and other program activity data; MDRC worksite survey; Unemployment Insurance earnings and payments records; AFDC payments records; ROSA data; program fiscal data; and published and unpublished data on tax rates, employee fringe benefits and administrative costs for AFDC, Medicaid, Food Stamps, and Unemployment Insurance.

NOTES: Positive numbers indicate a benefit; negative numbers indicate a loss. Components are listed as benefits or losses depending on whether a benefit or a loss occurred for the full sample.

Results are expressed in 1984 dollars. The full sample includes 1845 experimentals and 1834 controls (1078 new registrants, 2601 prior registrants).

Projection estimates assume impacts decline at an annual rate of 22 percent after the observation period.

[a]State policy prohibited placement of participants into CWEP positions where out-of-pocket expenses could occur. However, the worksite survey enabled researchers to record some out-of-pocket expenses that were not necessarily reported by participants to program staff.

[b]The net gain or loss is the sum of all benefits and losses.

outweighed their increased support services and non-AFDC transfer payments.

The net outcomes differed for new and prior registrants over the five years. With a net loss of $481, new registrants lost more in earnings and AFDC payments than did the full sample. On average, prior registrants received more in earnings and, due to their higher level of participation in CWEP, received more support services. AFDC losses for prior registrants were smaller than for the new registrants. In these ways, prior registrants benefited relatively more than new registrants, and although prior registrants experienced greater tax increases than new registrants, the net outcome for prior registrants was a gain of $80.

The government budgetary perspective shown in Table 6.8 indicates whether the costs of the program are outweighed by the measured benefits that accrue to federal, state and county budgets. According to this perspective, increases in tax payments, decreases in AFDC grants and reductions in the costs of administering transfer payments constitute benefits. In contrast, government dollars are expended to operate the program, to provide support services, and to cover the increase in non-AFDC transfer payments. As seen in Table 6.8, for the full sample, the program resulted in a net increase in expenditures (or loss from the perspective of the government budget) of $169 per experimental. The net cost outcome was similar for new and prior registrants with an increase in expenditures per experimental of $153 for new registrants and $186 for prior registrants. However, by category, the results for prior and new registrants differ somewhat. For new registrants, tax payments of experimentals compared to controls were reduced and non-AFDC transfer payments increased -- losses from the perspective of the budget. AFDC payments to experimentals

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TABLE 6.8

WEST VIRGINIA

FROM THE TAXPAYER AND GOVERNMENT BUDGET PERSPECTIVES

AFDC: ESTIMATED BENEFITS AND LOSSES PER EXPERIMENTAL
AFTER FIVE YEARS, BY WELFARE STATUS

Component of Analysis	Full Sample	New Registrants	Prior Registrants
Benefits			
Increased Tax Payments	$3	-$47	$24
Reduced AFDC Payments	85	124	69
Reduced Transfer Program Administration	10	-2	14
In-Program Output	903	542	1059
Losses			
Increase in Non-AFDC Transfers	-7	-50	8
Program Operating Cos·	-107	-64	-131
Support Service Costs	-153	-114	-170
Net Gain or Loss from the Taxpayer Perspective[a]	$734	$389	$873
Net Gain or Loss from the Budget Perspective (excludes Value of In-Program Output)[b]	-$169	-$153	-$186

SOURCE: See Table 6.7.

NOTES: Positive numbers indicate a benefit; negative numbers indicate a cost. Components are listed as benefits or losses depending on whether a benefit or loss occurred for the full sample.

Results are expressed in 1984 dollars. The full sample includes 1845 experimentals and 1834 controls (1075 new registrants, 2601 prior registrants).

Projection estimates assume impacts decline at an annual rate of 22 percent after the observation period.

[a]The net gain or loss from the taxpayer perspective is obtained by adding together all benefits and losses.

[b]The net gain or loss from the budget perspective is obtained by adding together all benefits except In-Program Output, and all losses.

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compared to controls were reduced by less for prior registrants than for new registrants and the experimental-control difference in program costs were higher for prior than new registrants.

The effect of the program on government budgets differs from its effect on taxpayers. The two perspectives are not identical since taxpayers are affected not only by budgetary gains and losses, but also by the considerable value of output produced by participants in CWEP. Taxpayers benefit from the services performed by participants assigned to work experience without having to pay for them. Adding the value of services performed in work experience to the estimated budget savings yields an overall gain to taxpayers of $734 per experimental, with a positive value for both new and prior registrant categories. (See Table 6.8.)

A final perspective considered here is that of society at large, which includes both the welfare sample and taxpayers. (See Table 6.9.) From the perspective of society as a whole, program effects that are a gain to one of these groups but an equivalent loss to the other group yield no net benefit; they are simply transfers between groups. For example, a reduction in AFDC payments is a loss to the welfare sample that is offset by equal savings for taxpayers. In contrast, reduction in the administrative costs of the AFDC program is a net benefit to society as a whole since taxpayers save money and the welfare sample is not directly affected. For the full sample, the total benefits to society were estimated at $1,161 while estimated costs totaled $511, yielding an overall societal gain of $650 per experimental after five years. The estimated outcome from the perspective of society as a whole was positive ($953) for prior registrants and negative (-$92) new registrants.

TABLE 6.9

AFDC: ESTIMATED BENEFITS AND LOSSES PER EXPERIMENTAL
AFTER FIVE YEARS, BY ACCOUNTING PERSPECTIVE

Welfare Category	Perspective			
	Welfare Sample	Budget	Taxpayer	Society
Full Sample				
Total Benefits	$160	$98	$1001	$1161
Total Losses	-244	-267	-267	-511
Net Gain or Loss	-84	-169	734	650
New Registrants				
Total Benefits	211	124	666	877
Total Losses	-692	-277	-277	-869
Net Gain or Loss	-481	-153	389	-92
Prior Registrants				
Total Benefits	243	115	1174	1417
Total Losses	-163	-301	-301	-464
Net Gain or Loss	80	-186	873	953

SOURCE: See Table 6.7.

NOTES: All estimates refer to average experimental-control differences.
Extrapolation estimates assume impacts decline at an annual rate of 22 percent
after the observation period

[a] For the welfare sample, benefits include increased non-AFDC transfers
and program support services (e.g., child care and transportation); losses include
reduced earnings, fringe benefits, and AFDC payments, out-of-pocket expenses and
increased tax payments.

[b] For the government budget, benefits include increased tax payments,
reduced AFDC payments, and reduced transfer program administrative costs. Losses
include increased non-AFDC transfers, program operating costs and support service
expenditures.

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Table 6.9 shows the overall gain or loss generated by CWEP from each of the four perspectives discussed above and compares outcomes for new registrants, prior registrants, and the full sample. The economic benefits of the program vary between groups and perspectives, with results for the prior registrants more positive than for the new registrants from all perspectives except that of government budgets.

V. Alternative Decay Assumptions

As noted earlier, the results of the benefit-cost evaluation of CWEP were calculated assuming that impacts on earnings- and welfare-related outcomes continued to occur after the observation period but decayed at an annual rate of 22 percent. Because the projected effects constituted a major share of the total effects estimated for the five-year period (as shown in Tables 6.1, 6.4 and 6.6), it is useful to consider how the overall benefit-cost results would change if program effects are assumed not to extend after the observation period or to continue with no decay throughout the five years.

The overall results calculated assuming no post-observation benefits or costs reveal that for all three groups -- the full sample, new and prior registrants -- the outcome from the perspective of the budget remains negative in value, but of less magnitude than under the original assumption of 22 percent decay. (Appendix Table D.1 presents the results for the alternative decay assumptions and Table 6.9 presents results from each perspective assuming 22 percent decay.) The assumption of no post-observation benefits or costs also yields improved outcomes from the perspective of the welfare sample (for all three groups) since losses for

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enrollees -- in earnings, AFDC payments and out-of-pocket expenses were not extended over five years. In contrast, this assumption results in worse outcomes from the taxpayer and societal perspectives since the assumption of no post-observation effects limits the estimated value of CWEP output to the observation period.

The second alternative assumption presented in Appendix Table D.1 is that effects on earnings and transfer payments do not decay after the observation period. For two of the three groups -- the full sample and prior registrants, the assumption of no decay of program impacts changes the estimate of the net value of the program very little. Since the other group -- new registrants -- experienced greater AFDC and earnings impacts, the alternative assumption of no decay affects the overall estimates more. From two perspectives -- the welfare and societal perspectives, the net value of the program for new registrants becomes more negative and from the other two perspectives -- the budget and taxpayer perspectives -- the results improve

VI. Conclusions

Overall, these findings support two conclusions. First, the net value of CWEP depends heavily on the value attached to the output produced in the CWEP assignments because the program's effects on earnings and welfare and the program's net costs are relatively modest. Given the high unemployment rate during the time of the demonstration and the unlimited duration of CWEP, the value of CWEP in West Virginia was not that it led to increases in participants' financial resources or to savings in the government budget, but rather that CWEP workers provided goods and services to the

community. If the opportunity to work is considered valuable in itself, the program may be of significant non-monetary value in providing welfare recipients this opportunity, which may not be available in the private sector.

Second, the value of the program is higher for prior registrants than for new registrants from the perspectives of the welfare sample, taxpayers, and society as a whole. This finding directly reflects both larger experimental-control differences in CWEP output and a more positive earnings effect for prior registrants than for new registrants. As prior registrants on average remained on welfare for a longer period of time than new registrants, they were more likely to enter and remain in CWEP than new registrants.

This benefit-cost analysis has not taken into account several important factors worth underscoring. The analytic approach used does not include benefits difficult to assign a monetary value -- such the degree to which society values working over receiving welfare. The evaluation also did not consider the implications of welfare mothers spending more time working and less time with their children although in general the women worked only during school hours. The factors not weighed in this analysis should be considered in interpreting its results.

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PART THREE

CHAPTER 7

THE AFDC-U RESEARCH DESIGN AND DATA SOURCES

This chapter discusses the research design, the research sample and data sources used in the analysis of CWEP as operated for the AFDC-U group, almost all men.[1] The first section describes the research design, based on comparison of pairs of administrative areas with different participation goals. The following section describes the research sample. A final section briefly presents the data sources and assesses data quality. (For more detail on data sources, see Chapter 3.)

I. The Research Design

The research design used to evaluate CWEP for AFDC-Us compared two sets of administrative areas: four areas that were to create and fill as many CWEP positions as possible (termed the saturation areas) and four areas that were to limit CWEP participation to 40 percent of the caseload (called comparison areas). The administrative areas were selected to create pairs matched on a number of factors.[2]

This design was chosen in order to evaluate the feasibility and implementation of an open-ended saturation program and to determine the maximum possible participation levels in such a program. This design permits analysis of the incremental effects of increasing CWEP resources to serve a greater share of the caseload as compared to a more limited proportion.

The research plan called for examining program participation in both

the saturation and comparison areas and for gathering data on a series of specific outcome measures: percentage employed, average earnings, percentage receiving welfare grants and average welfare payments. Program impacts were calculated using ordinary least squares.[3] The tables indicate whether program effects are statistically significant at the 99, 95 and 90 percent levels of confidence. These significance levels indicate the probability that a given saturation-comparison difference would not have occurred by chance.

II. The Research Sample

The following groups were included in the AFDC-U research sample: the entire AFDC-U caseload as of March 1, 1983; all applicants who registered with WIN between March 1983 and April 1984; and all AFDC-U WIN-registrants who moved into a research area between these dates.[4]

Individuals in the research sample were observed in two separate groups. The group of prior registrants consisted of all WIN-mandatory recipients registered as of March 1, 1983. For this group, participation, earnings and AFDC receipt were tracked from this date. The sample of new registrants included all AFDC-U applicants who registered with WIN during the same period of March 1983 to April 1984, as well as all WIN-registrants from areas not involved in the demonstration who moved to either a saturation or comparison area during that same period.[5]

Newly registered applicants entered the research sample on the date they registered with WIN. Registrants who moved into a research area during the intake period entered the sample during the month in which they moved into a demonstration area.[6] Patterns of participation, employment

and welfare receipt were observed for this group starting with the date that they registered or the date they moved into one of the study areas.

The research sample included 5,630 AFDC-U registrants: 2,798 in saturation areas and 2,832 in the comparison areas. (See Table 7.1.) The total number of research sample members differs slightly from the number of people on the AFDC-U caseload during the study period, according to data published by the State of West Virginia, for several reasons. As indicated above, registrants who had moved into the demonstration areas were included in the research sample. The number of people in the research sample was also affected by research decisions about assignment to assistance categories and inclusion of only one WIN-registrant per case.

Since it is not uncommon for individuals to switch between the AFDC and AFDC-U assistance categories, rules were developed to determine placement into the AFDC or AFDC-U research samples when changes in category occurred during the sample intake period. A member of the AFDC-U sample could have registered with WIN as the head of an unemployed parent case; however, if the composition of the family changed, this person could be part of a family given AFDC. For research purposes, a female sample member on an AFDC-U case that changed status to AFDC generally became an AFDC sample member while a man in the same situation remained an AFDC-U sample member.[7]

Although more than one WIN registrant could be included in an AFDC-U case, the State of West Virginia required only one person per case to fulfill a work requirement. In the 7 percent of the cases in which more than one WIN-registrant was included in a case, only one CWEP-eligible registrant was placed in the research sample in order to avoid artificially

TABLE 7.1

WEST VIRGINIA

NUMBER OF WIN REGISTRANTS IN THE AFDC-U SAMPLE,
BY MONTH OF WIN REGISTRATION, AND RESEARCH AREA

Month of WIN Registration	Number of Individuals		
Individuals Who Were Registered With WIN as of the Start of the Demonstration	Saturation	Comparison	Total
September 1982 and Prior Months	502	778	1280
October - December 1982	367	257	624
January - February 1983	270	172	442
Total Number of Prior Registrants	1139	1207	2346
Individuals Who Registered With WIN After the Start of The Demonstration			
March 1983	172	139	311
April - June 1983	302	265	567
July - September 1983	384	384	768
October - December 1983	312	304	616
January - March 1984	406	423	829
April 1984	83	110	193
Total Number of New Registrants	1659	1625	3284
Total Sample	2798	2832	5630

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTE: The sample presented in this table is the derived AFDC-U sample which includes only one registrant per AFDC-U case.

diluting the estimates of participation rates by including people in the sample who were not required to participate in CWEP.8

Table 7.2 indicates that almost all of the sample members (93 percent) were male. The average sample member was 31 years of age and had completed 10 years of schooling. Almost all of the members of the sample were white. Over half had received welfare within the two years before the research began. The AFDC-U sample members showed substantial previous attachment to the labor force, much more than the AFDC sample.

Registrants from the saturation and comparison areas differed in some measured characteristics. Fifty-six percent of the saturation sample compared to 60 percent of the comparison sample had received welfare within the two years before the research began -- a significant difference. Although the vast majority of sample members from both areas were white, the percentage was lower for the saturation areas than the comparison areas (96 percent and 98 percent respectively.) In the 24 months preceding sample entry, on average, saturation sample members received AFDC payments for six months in contrast to seven months for the comparison sample members.

Comparison of the saturation and comparison areas as a whole masks the wide variation in demographic and socioeconomic characteristics across administrative areas. (See Table 7.3.) The percentage of blacks in each area ranged from .2 percent in Grafton to 7 percent in Princeton. The percentage of the sample who had recently received welfare ranged from 50 to 63 percent in the saturation areas, and from 50 to 67 percent in comparison areas.

Although the four pairs of saturation and comparison areas were

TABLE 7.2

WEST VIRGINIA

SELECTED CHARACTERISTICS OF THE AFDC-U SAMPLE AT THE TIME OF
SAMPLE ENTRY, BY REGISTRATION STATUS AND RESEARCH GROUP
(MARCH 1983 - APRIL 1984 SAMPLE)

Characteristics	Prior Registrants		New Registrants		Total	
	Saturation	Comparison	Saturation	Comparison	Saturation	Comparison
Administrative Area (%)						
Huntington	26.3	n/a	33.1	n/a	30.3	n/a
Martinsburg	15.8	n/a	13.8	n/a	14.6	n/a
Parkersburg	19.2	n/a	18.4	n/a	18.8	n/a
Princeton	38.7	n/a	34.7	n/a	36.3	n/a
Clarksburg	n/a	23.5	n/a	24.3	n/a	24.0
Fairmont	n/a	25.4	n/a	22.7	n/a	23.8
Fayetteville	n/a	23.9	n/a	33.5	n/a	29.4
Grafton	n/a	27.2	n/a	19.5	n/a	22.8
Level of Urbanization (%)[a]						
0 - 10	26.3	19.1***	25.6	15.1***	25.8	16.8***
11 - 20	0.0	34.4***	0.0	40.4	0.0	37.9***
21 - 30	30.5	0.0***	22.8	n/a	25.9	0.0***
31 - 40	27.9	0.0***	30.3	0.0***	29.3	0.0***
41 - 50	0.0	46.5***	0.0	44.5***	0.0	45.3***
51 - 60	0.0	0.0[a]	0.0	0.0[a]	0.0	0.0[a]
61 - 70	0.0	0.0[a]	0.0	0.0[a]	0.0	0.0[a]
71 - 80	15.4	0.0***	21.3	0.0***	18.9	0.0***
81 - 90	0.0	0.0[a]	0.0	0.0[a]	0.0	0.0[a]
Sex (%)						
Male	93.5	93.5	92.7	92.3	93.0	92.8
Female	6.5	6.5	7.3	7.7	7.0	7.2
Age (%)						
24 Years or less	20.6	19.9	24.0	22.1	22.6	21.2
25 to 34 Years	48.0	44.7	46.2	46.6	47.0	45.8
35 to 44 Years	22.7	24.4	22.1	22.3	22.4	23.2
45 Years or more	8.6	11.0*	7.7	9.0	8.0	9.9**

(continued)

TABLE 7.2 (continued)

Characteristic	Prior Registrants		New Registrants		Total	
	Saturation	Comparison	Saturation	Comparison	Saturation	Comparison
Average Age (Years)	30.3	31.8***	30.7	31.0	30.8	31.3**
Ethnicity (%)						
White, Non-Hispanic	95.0	97.8***	95.9	97.4**	95.5	97.6***
Black, Non-Hispanic	4.7	2.0***	3.9	2.4**	4.2	2.2***
Other	0.4	0.2[e]	0.2	0.2[e]	0.3	0.2[e]
Average Highest Grade Completed	10.1	10.0	10.5	10.6*	10.3	10.4
Marital Status (%)						
Married	97.3	97.8	96.6	95.1**	96.9	96.3
Never Married	1.6	0.5**	1.7	2.5	1.6	1.7
Divorced, Widowed	1.1	1.7	1.7	2.4	1.5	2.1
Average Number of Children						
Less Than 4 Years	0.70	0.62***	0.70	0.68	0.70	0.65***
4 to 5 Years	0.36	0.37	0.29	0.28	0.32	0.32
6 to 12 Years	0.79	0.81	0.63	0.68	0.70	0.74
13 to 18 Years	0.44	0.50	0.36	0.36	0.39	0.42
Average Number of Children Less Than 19 Years of Age	2.29	2.30	1.98	1.98	2.11	2.12
Any Children (%)[b]						
Less than 6 Years	70.9	68.8	70.9	67.8*	70.9	68.2**
6 to 18 Years	58.0	60.6	51.1	53.6	53.9	56.6**
Prior AFDC Dependency in the Two Years Prior to Sample Entry (%)						
Never on AFDC	7.6	5.9	68.7	65.2**	43.8	39.9***
Prior AFDC	92.4	94.1	31.3	34.8	56.2	60.1
Total Amount of AFDC Received in 24 Months Prior to Sample Entry($)	2028.55	2362.66***	440.26	502.80*	1086.82	1295.47***
Average Months on AFDC in Two Years Prior to Sample Entry	10.5	12.1***	2.4	2.7	5.7	6.7***

(continued)

TABLE 7.2 (continued)

Characteristic	Prior Registrants		New Registrants		Total	
	Saturation	Comparison	Saturation	Comparison	Saturation	Comparison
Held Job at Any Time During Four Quarters Prior to Sample Entry(%)[c]	33.5	31.2	43.2	46.3*	38.2	39.9
Held Job During Quarter Prior to Sample Entry (%)[c]	15.7	13.8	22.5	22.3	19.7	18.7
Average Earnings During Four Quarters Prior to Sample Entry[c]	751.40	738.15	1574.06	1669.39	1239.18	1272.50
Average Earnings During Quarter Prior to Sample Entry ($)[c]	169.81	181.37	343.65	348.54	272.88	277.29
Sample Size[d]	1139	1207	1659	1625	2798	2832

SOURCE: Calculations from MDRC Client Information Sheets and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Distributions may not add to 100.0 percent because of roundings.

N/A indicates not applicable.

[a] Level of urbanization is defined as the percent of individuals living in an urban area in each county according to 1980 census data.

[b] Distributions may not add to 100.00 percent because individuals can have children in more than one category.

[c] Calculated from Unemployment Insurance earnings records from the State of West Virginia. Since many individuals worked out-of-state or in jobs not covered by the UI system, earnings data from the West Virginia Unemployment Insurance System is considered to underreport the income of sample members.

[d] For selected characteristics, sample sizes may vary up to 2 sample points due to missing data.

[e] Chi-square test inappropriate due to low expected cell frequencies.

Differences between research groups are statistically significant using a two-tailed t-test or chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

TABLE 7.3

WEST VIRGINIA

SELECTED CHARACTERISTICS OF THE AFDC-U SAMPLE
AT THE TIME OF SAMPLE ENTRY, BY ADMINISTRATIVE AREA
(MARCH 1983 - APRIL 1984 SAMPLE)

Characteristic	Saturation				Comparison			
	Huntington	Martinsburg	Parkersburg	Princeton	Clarksburg	Fairmont	Fayette-ville	Grafton
Level of Urbanization (%)[a]								
0 - 10	0.0	48.4	100.0	0.0	10.3	0.0	0.0	62.9***
11 - 20	0.0	0.0	0.0	0.0	0.0	0.0	100.0	37.1***
21 - 30	37.7	51.6	0.0	19.2	0.0	0.0	0.0	0.0***
31 - 40	0.0	0.0	0.0	80.8	0.0	0.0	0.0	0.0***
41 - 50	0.0	0.0	0.0	0.0	89.7	100.0	0.0	0.0***
51 - 60	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0[d]
61 - 70	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0[d]
71 - 80	62.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0***
81 - 90	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0[d]
Average Age (Years)	30.8	31.1	30.5	30.7	31.5	30.7	31.8	31.5*
Ethnicity (%)								
White, Non-Hispanic	97.2	94.9	98.3	93.0	98.8	96.1	96.0	99.8***
Black, Non-Hispanic	2.7	4.2	1.1	7.0	0.9	3.4	4.0	0.2***
Other	0.1	1.0	0.6	0.0	0.3	0.4	0.0	0.0[d]
Average Highest Grade Completed	10.5	9.8	10.7	10.2	10.3	10.7	10.3	10.1***
Sex (%)								
Male	94.5	93.4	90.9	92.8	93.8	90.8	94.6	91.6**
Female	5.5	6.6	9.1	7.2	6.2	9.2	5.4	8.4**
Marital Status (%)								
Married	97.5	91.4	97.1	98.3	95.0	95.4	97.1	97.4***
Never Married	1.4	4.6	1.1	0.9	1.9	1.9	1.4	1.4***
Divorced, Widowed	1.1	3.9	1.7	0.8	3.1	2.7	1.4	1.2***

TABLE 7.3 (continued)

Characteristic	Saturation				Comparison			
	Huntington	Martinsburg	Parkersburg	Princeton	Clarksburg	Fairmont	Fayette-ville	Grafton
Prior AFDC Dependency in the Two Years Prior to Sample Entry								
No Prior AFDC	50.0	39.6	37.1	43.8	39.3	35.0	49.8	32.9***
Prior AFDC	50.0	60.4	62.9	56.2	60.7	65.0	50.2	67.1***
Held Job at Any Time During Four Quarters Prior to Sample Entry[b]	39.7	37.7	44.4	36.7	44.2	42.2	39.7	33.0***
Average Earnings During Four Quarters Prior to Sample Entry [b] ($)	1251.42	1258.93	1538.91	1066.12	1419.04	1353.55	1255.82	1054.85**
Sample Size[c]	848	409	525	1016	679	875	833	845

SOURCE: Calculations from MDRC Client Information Sheets and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Distributions may not add to 100.0 percent because of roundings.

[a] Level of urbanization is defined as the percent of individuals living in an urban area in each county according to 1960 census data.

[b] Calculated from Unemployment Insurance earnings records from the State of West Virginia. Since many individuals worked out-of-state or in jobs not covered by the UI system, earnings data from the West Virginia Unemployment Insurance System is considered to underreport the income of sample members.

[c] For selected characteristics, sample sizes may vary up to 1 sample point due to missing data.

[d] Chi-square test inappropriate due to low expected cell frequencies.

Differences among administrative areas are statistically significant using a two-tailed t-test or chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

originally chosen because of their similarities, data available after the choices were made indicated that they were quite different on certain key factors. According to data from the 1980 Census, saturation areas taken together were higher in total population, and in the percentage of people living in urban areas of 2,500 or more. Saturation areas as a whole also showed higher rates of employment in manufacturing and lower rates in mining. (See Table 1.2 in Chapter 1.) Saturation areas were more likely than the comparison areas to border on other states, and therefore other labor markets. These environmental differences between the saturation and comparison groups may be more important than the demographic differences between the two aggregated groups in accounting for staff experiences in implementing CWEP and the experience of AFDC-U registrants in the two types of areas.

As recognized from the outset of the study, the research design used to evaluate CWEP as operated for the AFDC-U group provides less reliable impact results than an experimental design based on random assignment to experimental and control groups. Yet, the designation of a control or non-research group in each demonstration area would have diluted the intent to provide CWEP to as much of th AFDC-U caseload as possible, that is to saturate the caseload to the extent possible.

This analysis used techniques to statistically adjust for differences in the demographic and economic characteristics of the areas. However, these techniques did not correct for all differences among the areas. Therefore, the observed differences in outcomes between the saturation and comparison areas may partly reflect differences in the characteristics of the areas. This limitation should be kept in mind in interpreting the

AFDC-U impact results.

Prior registrants and new registrants exhibited differences in background characteristics. Prior registrants are more likely to be long-term welfare recipients than new registrants. In the saturation areas, the prior registrants had received welfare for an average of 10.5 months in the two years before entering the sample. In contrast, the new registrants had, on average, received payments in only two of these months. (See Appendix Table E.1.) In the comparison areas, the prior registrants received welfare an average of 12 months in the two years before entering the sample while the new registrants received welfare for an average of three months. Also, prior registrants were less likely to have held a job at any time during the year before sample entry.

The analysis of the effects of the program on new registrants and prior registrants was complicated by the fact that CWEP was already operating in West Virginia when this evaluation of the program for the AFDC-U caseload began. Therefore, prior registrants could have been exposed to CWEP for some time before the evaluation began and, as a result, might show higher rates of participation and different program effects.

III. Data Sources and Data Quality

Data used in the evaluation of the program for the AFDC-U group included many sources also used in the evaluation for the AFDC group. As in the case of the AFDC group, state administrative records from the WIN Information system, the Unemployment Insurance system and the welfare payments system provided quantitative data on program activity, employment, earnings and welfare payments.9 (See Table 7.4 for the length of follow-up

TABLE 7.4

WEST VIRGINIA

LENGTH OF AVAILABLE FOLLOW-UP FOR THE AFDC-U SAMPLE, BY DATA SOURCE AND PERIOD OF SAMPLE ENTRY
(MARCH 1983 - APRIL 1984 SAMPLE)

Data Source	Last Date Data Are Available	Point at Which Data Starts to Be Collected	Length of Follow-Up By Period of Sample Entry					
			March 1983	April-June 1983	July-September 1983	October-December 1983	January-March 1984	April 1984
Program Data from the WIN Information System (WIS)	December 1984	Date of Sample Entry[a]	21 Months	18 Months	15 Months	12 Months	9 Months	8 Months[b]
Quarterly Employment and Earnings data from the State of West Virginia Unemployment Insurance System[c/d]	Third Calendar Quarter 1985	4 Quarters Prior To Sample Entry	10 Quarters After Sample Entry	9 Quarters After Sample Entry	8 Quarters After Sample Entry	7 Quarters After Sample Entry	6 Quarters After Sample Entry	5 Quarters After Sample Entry
Monthly Welfare Grant Payments from the State of West Virginia AFDC Payments System[d/e]	January 1986	24 Months Prior to Sample Entry	35 Months	32 Months	29 Months	26 Months	23 Months	22 Months
Monthly Unemployment Insurance Benefits data from the State of West Virginia Unemployment Insurance System	December 1985	12 Months Prior to Sample Entry	34 Months	31 Months	28 Months	25 Months	22 Months	21 Months

NOTES: [a] Sample entry occurred at different points in the client flow. New registrants entered the sample at initial WIN registration or upon moving into a demonstration area. For prior registrants, sample entry occurred at demonstration start.

(continued)

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TABLE 7.4 (continued)

b.
Individuals entering the sample in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the early or later part of April. For the process analysis these sample members are considered to have 9 months of follow-up.

c.
Employment and earnings data are based on Unemployment Insurance earnings records which report earnings on a calendar quarter basis.

d.
Calendar quarter of sample entry is not considered to be a follow-up quarter for employment and earnings.

e.
The first month of follow-up for welfare grant payments and Unemployment Insurance benefits includes the month in which an individual enters the sample.

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available.) Extended program activity data from WIS were gathered through April 1986 for a select group of the AFDC-U sample. The MDRC survey of a random sample of CWEP worksite participants and their supervisors included both AFDCs and AFDC-Us; it provided information on the nature of the CWEP experience. The data on demographic characteristics collected for the AFDC-U sample were more limited than for the AFDC group. Qualitative data gathered as part of the field research about the program operated for the AFDC group also applied to the AFDC-U group. A brief discussion of the use of these data in the evaluation of the AFDC-U group will follow. (Chapter 3 provides more detail on data sources.)

A. The WIN Information System (WIS)

WIS furnished data on program participation, job placement, WIN-deregistration and sanctioning for both the AFDC and AFDC-U groups. In addition, it supplied information on demographic characteristics of AFDC-U sample members. Information from WIS was collected from the beginning of the evaluation for the AFDC-U group in March 1983 until December 1984. The demographic information drawn from WIS about the AFDC-U group is less extensive than the information gathered for members of the AFDC group.[10] The available data included age, sex, ethnicity, highest grade completed, marital status, and the number and ages of children. This information was gathered at the point of registration with WIN. Therefore, some of this information may be out of date for those members of the AFDC-U group who registered more than one or two months prior to entering the research sample (i.e. before the evaluation began or before moving into a demonstration area.)

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B.   The State of West Virginia AFDC Payments System

This system provided data on welfare grant amounts for each member of both the AFDC and AFDC-U research groups from the period beginning two years prior to sample entry and ending January 1986.[11]

The quality of the research data was tested by comparing automated grant amounts with case file payment values for a sample of clients with both earnings and welfare payments for a given period.[12]   (See Chapter 3 for a more detailed description of the test of the quality of these data.) The West Virginia research data do not appear to be as accurate as data for similar samples in MDRC's other evaluations of state work/welfare programs. However, differences between the percentage of discrepancies in the saturation areas and those in the comparison areas were small and not statistically significant.   Therefore, the welfare payments system was believed to be a satisfactory data source for the analysis.[13]

C.   The State of West Virginia Unemployment Insurance System

This system supplied data on quarterly earnings and monthly UI benefits for both the AFDC and AFDC-U group.   In both cases, earnings information was available for each sample member from one year prior to sample entry until September 1985. For the AFDC-U group, information on UI benefits was collected from March 1982 through December 1985.

Earnings reported to the UI system in West Virginia may underestimate total earnings for a number of reasons in addition to the usual recording lags.   Earnings from both off-the-book and out-of-state work are not reported to the UI system. (For a fuller explanation, see Chapter 3.)

To test quality of the earnings data from the UI system, these data were compared to job placement data from WIS. For registrants entering the

sample in the last month of a calendar quarter, 36 percent of the 836 sample members who were placed into employment, according to WIS, within six months of registration had no West Virginia UI-reported earnings over a comparable period. The level of non-reported earnings was found to be significantly higher in the saturation areas than in the comparison areas.[14] This was largely due to the fact that the saturation areas bordered other states. Three of the four areas with the most uncovered earnings were saturation areas that border other states.[15]

The extent of earnings not covered by the the UI system is a serious issue for this program analysis since not only are employment rates and earnings underestimated, but, more importantly saturation-comparison differences will be biased.[16]

D.   Other Quantitative Data Sources

Other quantitative data sources include interviews with 34 women and 60 men working in CWEP assignments and their supervisors, previously discussed in Chapter 3 on the AFDC group. As for the AFDC group, extended program participation data were collected from the WIS files, in this case for 144 AFDC-U clients still registered with WIN as of December 31, 1984. These data were collected because 2,231 registrants -- approximately 40 percent of all registrants -- were still registered with WIN in December and 980 of these registrants were still in CWEP.

E.   Qualitative Data Sources

Qualitative data sources provided detailed information on program operations in the local offices, and addressed such issues as the development of CWEP jobs, CWEP assignment decisions and staff understanding of CWEP objectives. These data were collected through interviews, observa-

tions of client-staff interactions, and reports on program activities. (For more detail, see Chapter 3.)

CHAPTER 8

PATTERNS OF PARTICIPATION FOR AFDC-U₂

This chapter discusses the extent to which AFDC-U registrants in both the saturation and comparison areas participated in CWEP. As noted in Chapter 7 on the research design, four administrative areas within the state were selected to implement a caseload-wide CWEP initiative. These areas were compared to four other areas, which did not have the resources to place all eligible AFDC-U recipients in a CWEP worksite. In these four comparison areas, CWEP participation was limited to 40 percent of the caseload.

The participation analysis presented in this report differs from that of the first report in that it updates findings and addresses additional research issues. First, while the previous report focused on only the saturation areas, this report analyzes participation patterns for the four comparison areas as well.

Second, the first report analyzed only a portion of the saturation area sample: those members of the sample who had registered with WIN as of March 1, 1983 and those who registered between March and June 1983. The analysis in this report examines the participation of all AFDC-Us who were part of the caseload in both the saturation and comparison areas from March 1983 through April 1984 and follows them for nine months after entering the sample.

Third, for this report, extended follow-up data were available for early enrollees into the sample. People who had registered with WIN as of

March 1, 1983, or who registered from March through June 1983, were tracked for 18 months after sample entry. These early enrollees make up 57 percent of the entire sample. Additional data were also collected for a special sample of early enrollees who were tracked for 34 to 37 months after entering the sample. This extended follow-up is particularly important because of the ongoing participation requirement and the fact that CWEP assignments were frequently made several months after sample entry.

Fourth, this analysis presents several measures of participation and examines the intensity of program participation, i.e. how much time participants spent at CWEP worksites and whether participants worked in CWEP assignments during every month that they were on the rolls.

This chapter includes several sections. The first shows the percentage of the caseload that participated in CWEP by calendar month for each of the eight administrative areas in the study. The next section uses a different approach, focusing on the participation patterns of a group of registrants within nine months after they entered the sample. This section discusses differences in participation patterns between AFDC-Us in the saturation areas and those in the comparison areas, between new and prior registrants, and among the eight areas within the study. The third section examines CWEP participation for important subgroups within both the saturation and comparison samples. The fourth section discusses participation patterns over time, using follow-up periods of varying length. The fifth section analyzes the program status of registrants at a specific point in time after entering the sample. This type of analysis is useful in determining the proportion of AFDC-U registrants at a specific point in time who were eligible for CWEP but had not worked in a CWEP position. The last

section discusses the intensity of participation for those registrants who ever actually worked in a CWEP position.[1]

I. Caseload Participation Rates

In 1982, when CWEP was instituted in West Virginia, 40 percent of the state's AFDC-U recipients were participating at a CWEP worksite by the fourth month of operation. Beginning in March 1983, staff in the four saturation areas were told to create and fill as many CWEP slots as possible, while staff in the four comparison areas were instructed to keep monthly participation rates at the prevailing level, i.e. equal to or less than 40 percent of the caseload.

As shown in Table 8.1, during the study period, the AFDC-U caseload participation rate for the saturation areas as a whole peaked at 69 percent in June 1983. The AFDC-U caseload participation rate gives the percentage of registrants in the AFDC-U caseload each month who held CWEP jobs during that particular month. The Parkersburg area achieved the highest caseload participation rate of the areas studied: 81 percent of the caseload was participating in CWEP during August 1983. The caseload participation rates in the comparison areas peaked at 40 percent in July 1983. In all eight of the study areas, caseload participation rates began to decline in the fall of 1983 as the size of the caseloads increased; the number of registrants participating each month continued to increase, but not at as high a rate as the caseloads.[2]

During most months for which caseload participation rates were calculated, the difference between the rates for saturation and comparison areas was about 30 percentage points. (See Figure 8.1.) As noted in the

TABLE 8.1

WEST VIRGINIA

NUMBER OF CWEP PARTICIPANTS IN AFDC-U SATURATION AND COMPARISON AREAS AS A PROPORTION OF THE AFDC-U CASELOAD,
BY ADMINISTRATIVE AREA AND CALENDAR MONTH

Administrative Area	February 1983	March 1983	April 1983	May 1983	June 1983	July 1983	August 1983	September 1983	October 1983	November 1983	December 1983	January 1984	February 1984
Saturation Areas:													
Huntington													
CWEP Participants	188	171	188	204	188	182	208	221	222	232	228	240	249
AFDC-U Caseload	338	340	341	308	280	315	338	348	380	388	362	401	440
Participation Rate (%)	50.0	50.3	58.4	66.2	71.1	70.0	61.8	63.6	61.7	63.4	62.4	59.9	56.8
Martinsburg													
CWEP Participants	58	78	98	88	88	70	61	60	58	60	66	71	72
AFDC-U Caseload	188	223	208	176	144	122	110	100	98	100	115	128	137
Participation Rate (%)	30.1	35.4	47.8	58.3	58.7	57.4	55.5	60.0	58.3	60.0	58.5	55.5	55.2
Parkersburg													
CWEP Participants	143	147	155	155	180	162	154	138	147	158	148	189	175
AFDC- Caseload	216	230	234	222	208	202	190	191	195	202	224	244	213
Participation Rate (%)	66.2	63.9	66.2	69.8	76.9	80.2	81.0	72.3	75.4	77.2	66.1	68.8	81.2
Princeton													
CWEP Participants	188	188	244	285	275	263	263	272	280	288	288	317	325
AFDC-U Caseload	451	488	477	449	411	412	465	488	493	506	504	530	519
Participation Rate (%)	41.2	38.9	51.2	63.5	66.9	63.8	56.6	59.0	56.9	57.1	59.1	59.8	56.1
Total for Saturation Area													
CWEP Participants	556	586	697	743	720	687	687	691	705	737	737	798	826
AFDC-U Caseload	1,198	1,278	1,260	1,155	1,043	1,051	1,103	1,108	1,144	1,174	1,206	1,303	1,409
Participation Rate (%)	46.4	46.8	55.3	64.3	69.0	65.4	62.3	62.4	61.8	62.8	61.2	61.1	58.8

(continued)

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TABLE 8.1 (continued)

Administrative Area	February 1983	March 1983	April 1983	May 1983	June 1983	July 1983	August 1983	September 1983	October 1983	November 1983	December 1983	January 1984	February 1984
Comparison Areas:													
Fairmont													
CWEP Participants	114	120	134	136	131	134	126	116	121	111	111	111	119
AFDC-U Caseload	340	347	338	332	288	288	307	307	318	334	357	358	382
Participation Rate (%)	33.5	34.6	39.5	41.0	43.8	45.0	41.7	37.8	38.1	33.2	31.1	31.0	30.9
Clarksburg													
CWEP Participants	80	105	104	83	77	80	88	80	88	90	83	98	108
AFDC-U Caseload	318	316	322	306	271	280	259	280	318	338	339	388	373
Participation Rate (%)	25.6	33.2	32.3	30.4	28.4	30.8	34.0	28.6	27.8	26.8	24.5	25.2	29.0
Grafton													
CWEP Participants	143	144	130	118	122	121	116	116	108	105	105	107	109
AFDC-U Caseload	354	357	360	337	320	318	322	339	348	362	374	395	423
Participation Rate (%)	40.4	40.3	36.1	35.3	38.1	38.1	36.0	33.8	31.0	29.0	28.1	27.1	25.8
Fayetteville													
CWEP Participants	116	117	118	125	123	124	119	113	115	128	136	138	139
AFDC-U Caseload	313	305	309	288	276	282	352	385	387	388	394	422	450
Participation Rate (%)	38.7	38.4	38.2	43.3	43.8	44.0	33.8	29.4	29.7	33.2	34.5	32.9	30.9
Total For Comparison Areas													
CWEP Participants	462	486	486	473	452	459	451	424	432	434	435	453	474
AFDC-U Caseload	1,323	1,325	1,330	1,264	1,168	1,158	1,240	1,311	1,372	1,419	1,464	1,541	1,628
Participation Rate (%)	34.8	36.7	36.5	37.4	38.7	38.6	36.4	32.3	31.5	30.6	29.7	29.4	29.1

SOURCE: MDRC calculations from the West Virginia WIN Information System and Department of Human Services, *Human Services Statistics*, February 1983 - February 1984, Table 8.

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FIGURE 8.1

ALL AFDC-U: PERCENTAGE OF CASELOAD PARTICIPATING IN CWEP, BY RESEARCH AREA
(JANUARY 1983 - FEBRUARY 1984)

Ever Participated in CWEP During Month (%)

All Saturation Areas

——————

All Comparison Areas

Month and Year

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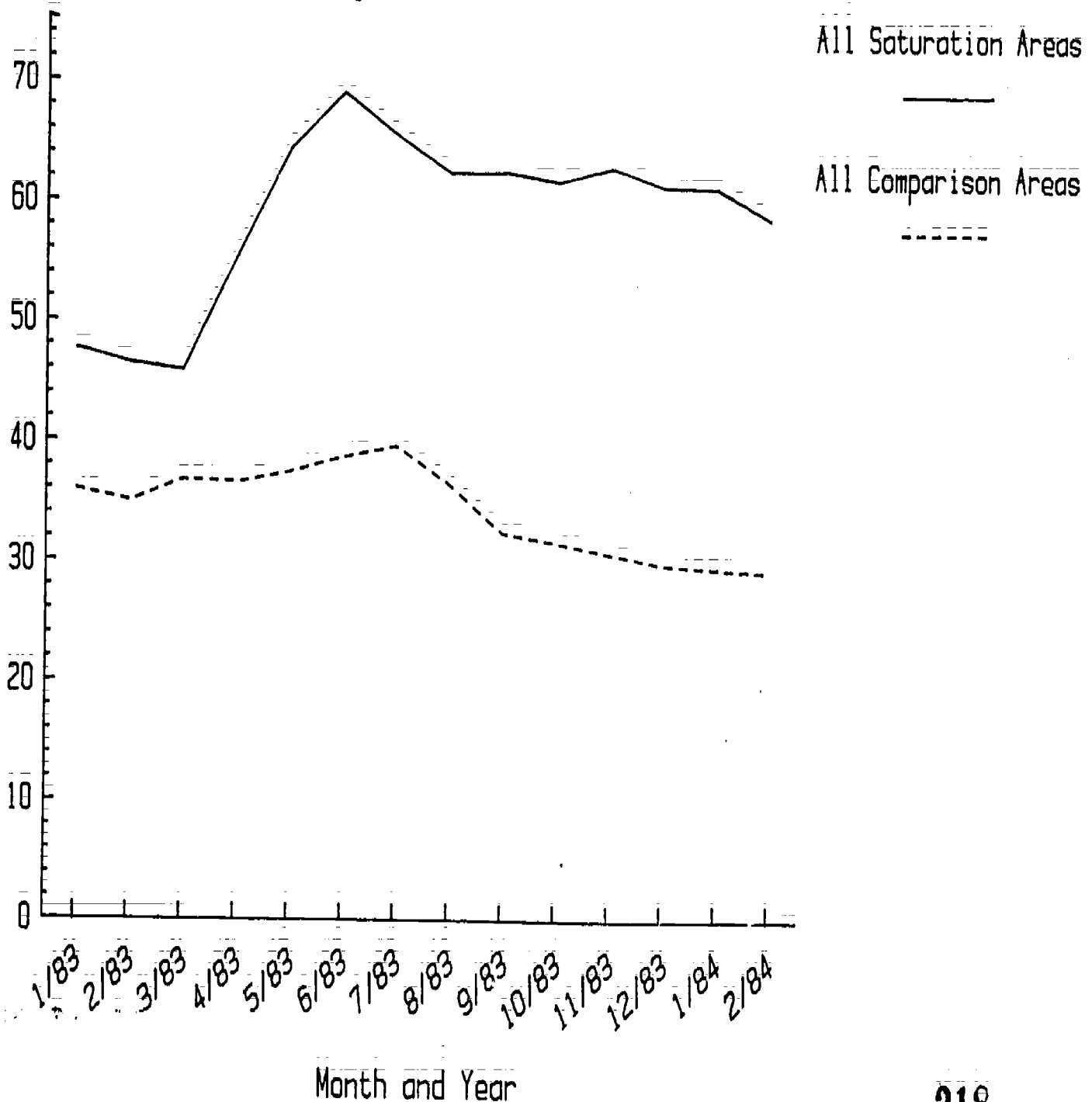
first West Virginia report, staff in the saturation areas procured additional worksite slots both by reaching out to sites that had never before sponsored participants and by asking current sponsors if they could use more CWEP participants.

Data presented in the first report indicate that caseload participation rates of 60 to 70 percent may be the maximum levels of participation that can be expected in operating CWEP for AFDC-Us with an ongoing participation requirement. To ascertain why the remaining men were not participating in CWEP, MDRC's field researcher reviewed with caseworkers the situation of each nonparticipating AFDC-U recipient in the saturation areas from March through May 1984.[3]

About 30 percent of those not assigned to CWEP received welfare grants low enough that the number of hours that they would be required to work in CWEP positions was not sufficient to make their placement attractive to worksite sponsors. Another 25 percent of the nonparticipants were not placed due to difficulty, especially in the rural areas, in finding positions at worksites. Seventeen percent had problems with their health or their family's health. Another 8 percent of the nonparticipants were judged by caseworkers to have unreliable work habits or poor reputations; since one objective of CWEP in West Virginia was to improve the image of public welfare, caseworkers tried to provide sponsors with good workers.

The remaining one-fifth were not participating in CWEP for a variety of reasons. Some registrants were exempted due to participation in training or part-time employment.[4] Problems with transportation, particularly in the rural counties where transportation to the nearest available worksite sometimes would have cost more than the $25 provided, also affected

assignment decisions.[5]   Additionally,   some   nonparticipants   had   been

assigned to a worksite, but had not yet started participating.   Finally, a

few recipients may have been assigned to worksites and, without a good

cause, may have refused to participate.

II. Participation Patterns Within a Uniform Follow-Up Period

The preceding discussion assessed CWEP implementation in eight admin-

istrative areas by examining trends in the percentage of registrants in the

AFDC-U caseload each month who participated in CWEP during that particular

month.   This section will use another approach, also used in the AFDC

participation analysis, to assess program implementation: examining the

percentage of registrants in the AFDC-U sample who participated in CWEP

within nine months of sample entry.   By following a group of registrants

over time, this approach indicates whether the registrants participating

each month are the same individuals.   Furthermore, this analysis reveals

the probability that an individual AFDC-U registrant will participate

within a nine-month follow-up period.

As shown in Table 8.2, 60 percent of the registrants in the saturation

areas and 41 percent of the registrants in the comparison areas partici-

pated at a worksite for at least one day within nine months of sample

entry, for about a 20 percentage point difference between the two types of

areas.

As was the case with the AFDCs, non-CWEP activities for AFDC-Us were

minimal.   However, the effort to provide CWEP assignments for as many

members of the AFDC-U caseload in the saturation areas as possible may have

decreased the use of non-CWEP activities.   Six percent of the registrants

TABLE 8.2

WEST VIRGINIA

KEY PERFORMANCE INDICATORS OF THE AFDC-U SAMPLE WITHIN NINE MONTHS
AFTER SAMPLE ENTRY, BY REGISTRATION STATUS AND RESEARCH GROUP
(MARCH 1983 - APRIL 1984 SAMPLE)

Performance Indicator	Prior Registrants		New Registrants		Total	
	Saturation	Comparison	Saturation	Comparison	Saturation	Comparison
Participated in CWEP	71.3	51.8***	52.9	32.4***	60.4	40.6***
Participated in Other Activity	1.1	5.9***	1.8	6.3***	1.5	6.1***
Job Placement[a]	30.8	21.5***	35.9	32.0**	33.8	27.5***
Deregistered	63.2	51.0***	79.4	76.7*	72.8	65.7***
Sanctioned	7.4	4.1***	5.5	1.8***	6.3	2.8***
Sample Size	1139	1207	1659	1625	2798	2832

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: All performance indicators are calculated as a percentage of the total number of individuals in the indicated research group.

Participation is defined as attending any activity for at least one day.

Individuals entering the sample in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they entered the sample in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

[a] Program placement information is based on employment that is reported to program staff. Program placement data will not be used to measure impacts.

Differences between research groups are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

from comparison areas participated in non-CWEP activities during the follow-up period while only 2 percent of the registrants from saturation areas did so. Non-CWEP activities in the comparison areas consisted primarily of individual job search and training. (See Appendix Table F.1.)

According to program records, one-third of the saturation area registrants were placed in unsubsidized jobs during the nine-month follow-up period. This figure was significantly higher than the 28 percent of the comparison area registrants who were placed during this period.

These placement rates, however, should be viewed with caution. The rates differ in several ways from the employment rates presented in Chapter 9, which are based on Unemployment Insurance records. To the extent that registrants find jobs and do not report them to their caseworkers, the placement rates in Table 8.2 will understate true employment rates. On the other hand, using Unemployment Insurance records as a data source will understate true employment rates to the extent that jobs are not reported to the West Virginia UI system -- such as jobs which are out-of-state.

During the nine-month follow-up period, a higher proportion of registrants from the saturation areas as opposed to registrants from comparison areas were deregistered from WIN: 73 percent and 66 percent, respectively.[6] Sanctioning rates during this nine-month follow-up period were also higher in the saturation areas than in the comparison areas: 6 percent and 3 percent, respectively.

Since new registrants and prior registrants differed in demographic characteristics as well as in prior employment and welfare receipt, different participation patterns for the two groups are not surprising. Table 8.3 shows that in the saturation areas as well as the comparison

TABLE 8.3

WEST VIRGINIA

KEY PERFORMANCE INDICATORS OF THE AFDC-U SAMPLE WITHIN NINE MONTHS AFTER SAMPLE ENTRY, BY RESEARCH GROUP AND REGISTRATION STATUS
(MARCH 1983 - APRIL 1984 SAMPLE)

Performance Indicator	Saturation		Comparison	
	Prior Registrant	New Registrant	Prior Registrant	New Registrant
Participated in CWEP	71.3	52.8***	51.8	32.4***
Participated in Other Activity	1.1	1.8	5.9	6.3
Job Placement[a]	30.8	35.9***	21.5	32.0***
Deregistered	63.2	79.4***	51.0	76.7***
Sanctioned	7.4	5.5*	4.1	1.8***
Sample Size	1139	1659	1207	1625

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: All performance indicators are calculated as a percentage of the total number of individuals in the indicated registration status.

Participation is defined as attending any activity for at least one day.

Individuals entering the sample in April 1984 have between 8 and 9 months of tracking date follow-up, depending on whether they entered the sample in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

[a]Program placement information is based on employment that is reported to program staff. Program placement data will not be used to measure impacts.

Differences between registration statuses are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

areas, a smaller proportion of new registrants participated in CWEP as compared to prior registrants, but a larger proportion of new registrants than prior registrants were deregistered from WIN within the nine-month follow-up period. Placements and sanctions also differed between the two groups: placements were more likely to occur among the new registrants while sanctions were more frequent among the prior registrants.

These differences between the new and prior registrants can be attributed to several factors. Since prior registrants had been in the program for longer than the new registrants, they were available for assignment to CWEP for a longer period of time. Differences between prior and new registrants may also be accounted for by the fact that many of the prior AFDC-U registrants were participating in CWEP when higher participation goals for the saturation areas were established in March 1983. Forty-three percent of the prior registrants in the saturation areas and 36 percent of the prior registrants in the comparison areas were participating as of this date. Since prior registrants had been on the welfare caseload for longer than new registrants, caseworkers may have known the prior registrants better and may have been more likely to assign them to a worksite. The fact that prior registrants were more likely to have been assigned to CWEP may account for differences in sanctioning rates between the prior and new registrants. The differences in deregistration rates between new and prior registrants is due to the greater probability that the new registrants, the more employable of the two groups, will leave the welfare rolls.

Within the saturation and comparison areas, participation patterns differed by area. (See Appendix Table F.2.) Among the four saturation

areas, nine-month participation rates ranged from 51 percent in Martinsburg to 70 percent in Parkersburg. For the comparison areas, participation rates also varied; from 34 percent in Grafton to 48 percent in Fayetteville.

Job placement figures and deregistration rates differed among the areas in a pattern generally consistent with the state of their local labor markets. For example, in the Martinsburg area, one of the strongest of the eight labor markets, 48 percent of the research sample reported job placements and 88 percent were deregistered. These figures, along with the 51 percent participation rate for the area, also reflect the relatively unique orientation of the Martinsburg staff which, compared to the other areas, emphasized unsubsidized job placement as a higher priority than CWEP.

Sanctioning rates also varied across the areas, ranging from one percent in Grafton to 8.5 percent in Huntington. Three areas, Huntington, Martinsburg and Princeton, were clustered toward the high end of the sanctioning scale. Although the saturation areas as a group had higher participation and sanctioning rates than the grouped comparison areas, there is not a clear correlation (positive or negative) among the areas between high sanctioning rates and high participation rates. For example, the Parkersburg area had the highest participation rate as well as one of the lower sanctioning rates. Thus, it was possible to achieve high levels of participation without high levels of sanctioning. Several explanations are possible: people assigned to CWEP may have been willing to participate, the threat of sanctions may have proved enough of an inducement to participate, informal cajoling may have proved effective -- or, despite noncompliance by some registrants assigned to CWEP, area staff may have

chosen not to sanction many clients and still have been able to achieve high levels of participation.7

III. Subgroup Participation Rates

Thus far, the analysis of participation has focused on the full sample and the principal subsamples of new and prior registrants. This section looks at the participation patterns for important subgroups within both the full sample and the prior and new registrant groups to determine whether some segments of the AFDC-U caseload participated at higher rates than others. To the extent that participation data indicate which registrants were assigned to CWEP, analysis of participation rates will indicate whether assignment patterns differ between the saturation and comparison areas.

The data do not indicate a clear tendency for caseworkers to select the more employable AFDC-Us for assignment to CWEP worksites. In fact, it appears that individuals without recent work experience or those with recent histories of welfare receipt were more likely to participate in CWEP than their more employable counterparts. This tendency was more pronounced in the saturation areas than the comparison areas. (See Table 8.4 .)

In the saturation areas, CWEP participation rates were slightly lower for registrants who had completed at least 12 years of schooling versus those who did not have this much education. However, participation rates did not differ for these two groups in the comparison areas. There was no clear correlation between participation rates and the level of urbanization of registrants' county of residence.

As with previous public work programs in West Virginia, the few female

TABLE 8.4

WEST VIRGINIA

CWEP PARTICIPATION RATES FOR THE AFDC-U SAMPLE,
BY SELECTED CHARACTERISTICS, REGISTRATION STATUS AND RESEARCH GROUP
(MARCH 1983 - APRIL 1984 SAMPLE)

Characteristic	Prior Registrants		New Registrants	
	Saturation	Comparison	Saturation	Comparison
Sex				
Male	71.7	52.6**	54.1***	33.4***
Female	64.9	39.7**	38.0***	20.0***
Age				
24 Years or Less	69.4	48.3	51.0	34.0
25 to 34 Years	72.9	53.5	54.8	32.5
35 to 44 Years	68.0	52.7	51.2	33.1
45 Years or More	75.5	48.9	52.8	26.0
Ethnicity				
White, Non-Hispanic	70.9	51.7	53.2	32.3
Black, Non-Hispanic	81.1	58.3	46.9	35.9
All Others	50.0[b]	50.0[b]	25.0[b]	33.3[b]
Marital Status				
Married	71.4	52.2	53.0	32.4
Never Married	72.2	33.3	64.3	14.6**
Divorced or Widowed	61.5	35.0	37.9	48.7**
Years of School Completed				
12 Years or More	67.9*	52.7	49.3***	31.4
Less than 12 Years	73.3	51.2	56.4	33.4
Held Job at Any Time During Four Quarters Prior to Application				
Yes	67.5**	43.2***	49.7**	32.7
No	73.2**	55.7***	55.4**	32.1

(continued)

TABLE 8.4 (continued)

Characteristic	Prior Registrants		New Registrants	
	Saturation	Comparison	Saturation	Comparison
Received AFDC in 2 Years Prior to Research Start				
Yes	74.0***	52.7**	57.7***	32.2
No	39.1***	36.6**	50.7***	32.5
Level of Urbanization[a]				
0 - 10	71.8	60.2***	56.6*	29.0
11 - 20	0.0[b]	47.7**	0.0[b]	36.1***
21 - 30	71.2	0.0[b]	51.2	0.0[b]
31 - 40	67.9	0.0[b]	49.9	0.0[b]
41 - 50	0.0[b]	51.3	0.0[b]	30.2*
51 - 60	0.0[b]	0.0[b]	0.0[b]	0.0[b]
61 - 70	0.0[b]	0.0[b]	0.0[b]	0.0[b]
71 - 80	76.6	0.0[b]	54.7	0.0[b]
81 - 90	0.0[b]	0.0[b]	0.0[b]	0.0[b]
Sample Size	1138	1207	1659	1625

SOURCE: Calculations from MDRC Client Information Sheets, Unemployment Insurance earnings and welfare records from the State of West Virginia, and program tracking records from the West Virginia WIN Information System.

NOTES: Participation is defined as attending CWEP for at least one day.

Individuals entering the sample in April 1984 have between 8 and 9 months of tracking date follow-up, depending on whether they entered the saple in the earlier or later part of April. For the process analysis, these sample members are considered to have 8 months of follow-up.

[a]Level of urbanization is defined as the percent of individuals living in an urban area in each county according to 1980 census date.

[b]Chi-square test inappropriate due to low expected cell frequencies.

For each column in the table, a statistical test was performed to determine whether the participation rate for each subcategory was different from the average participation for all other categories. For example, the 69.4 percent participation rate achieved by prior registrants 24 years of age or younger in the saturation areas was not significantly different from the average participation rate achieved by prior registrants of other ages in the saturation areas. Differences in participation rates in comparison to all other groups are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

AFDC-U recipients in both the saturation and comparison areas participated at lower rates than the males. Yet, the participation levels of the women were noteworthy given the widespread ambivalence of staff about requiring female heads of cases to participate in CWEP when an adult male was also a member of the case.

IV. Participation Patterns Over Time

Figures 8.2 and 8.3 show the cumulative participation rate for registrants entering the research sample in the earlier and later months of the enrollment period. Differing follow-up periods are available for each group. For example, AFDC-Us entering the sample through June 1983 have 18 months of follow-up data.

Although participation rates increased quickly in both the saturation and comparison areas during the first six months after enrollment into the research sample, the slope of this increase is much more steep in the saturation areas. This reflects the bigger push in the saturation areas to assign as many registrants as possible to CWEP.

Past the six-month point, the lines depicting the cumulative participation rates are almost identical between the two types of areas. This indicates that in both the saturation and comparison areas, if an individual was not assigned to CWEP within six months of registration or when the research began, the chance of being assigned to CWEP at a later date was relatively low.[8]

However, the likelihood of being assigned to CWEP after being on the rolls for several months was not nil: participation rates continued to climb over time at a slow rate past the six-month point. Among those for

FIGURE 8.2

AFDC-U SATURATION GROUP: CUMULATIVE CWEP PARTICIPATION RATES, BY PERIOD OF SAMPLE ENTRY (MARCH 1983 – APRIL 1984 SAMPLE)

Ever Participated in CWEP (%)

Month Relative to Sample Entry
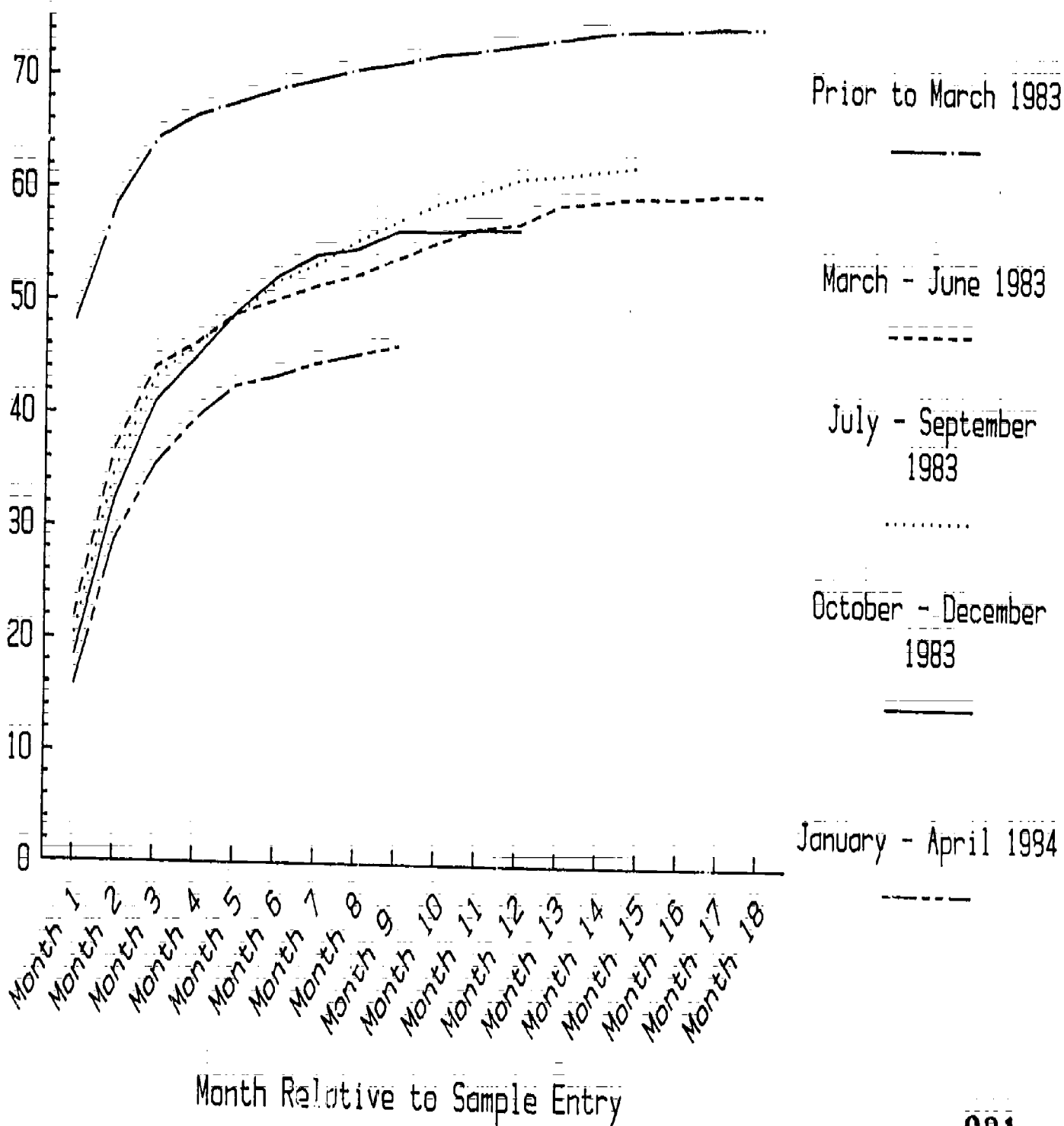
AFDC-U COMPARISON GROUP: CUMULATIVE CWEP
PARTICIPATION RATES, BY PERIOD OF SAMPLE ENTRY
(MARCH 1983 - APRIL 1984 SAMPLE)

Ever Participated in CWEP (%)

Prior to March 1983

March - June 1983

July - September
1983

October - December
1983

January - April 1984

Month Relative to Sample Entry

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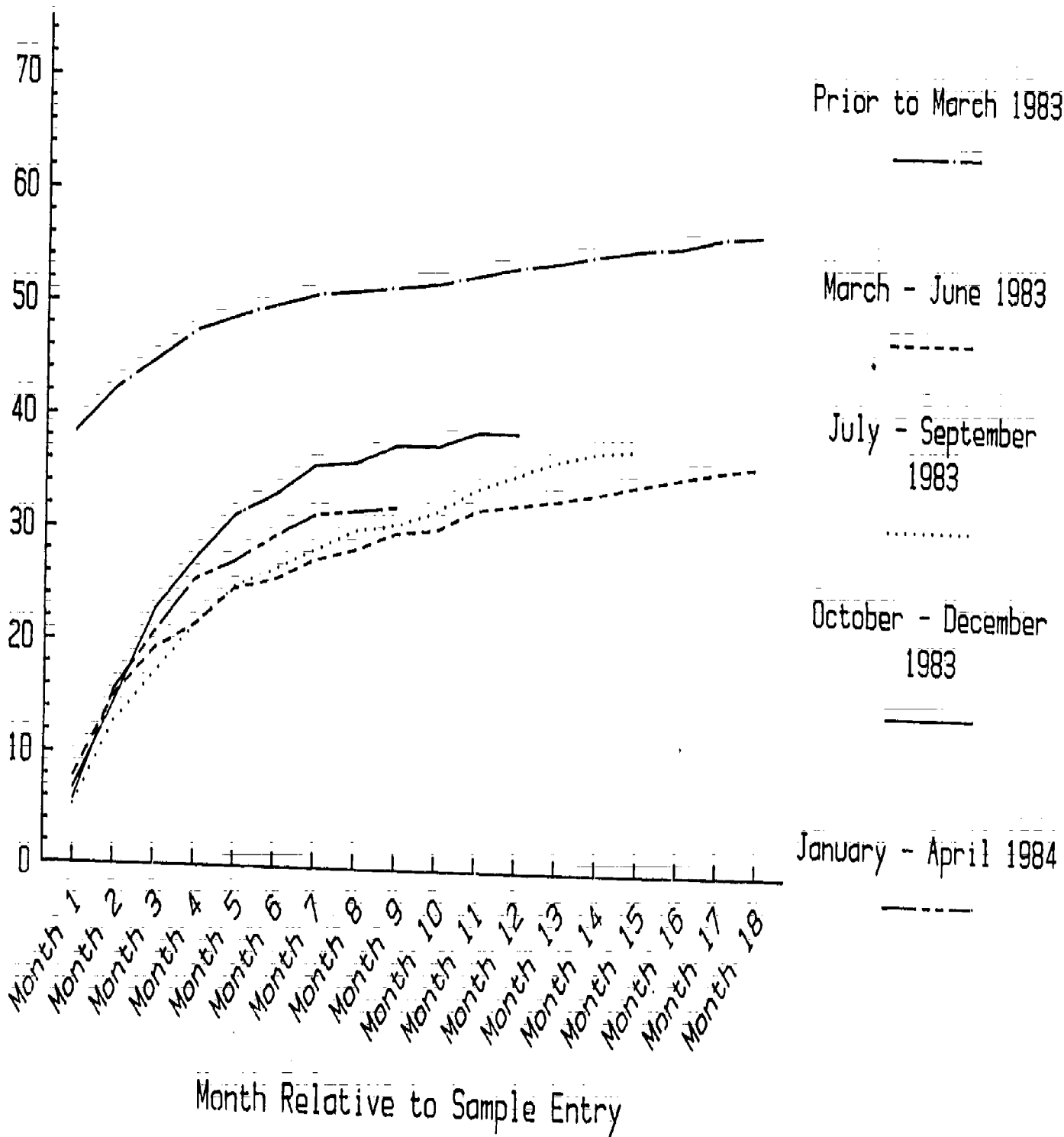
whom 18 months of follow-up were available (the prior registrants and new registrants entering the sample from March through June 1983), the 18-month participation rate in the saturation areas was 71 percent while the corresponding rate in the comparison areas was 52 percent.

V.   Participation and Continuing Eligibility

Thus far in this chapter, participation has been analyzed in two ways. The first section presented caseload participation rates, showing the percent of registrants in the AFDC-U caseload each month who participated in CWEP during that particular month. These caseload participation rates do not indicate whether the participants are the same individuals each month. The second section examined the participation rate of the group of registrants in the AFDC-U sample who participated in CWEP within nine months of sample entry. This measure of participation may understate the ability of the program to reach the targeted caseload by including all registrants in the sample as the base, although not all registrants in the sample remained eligible for CWEP throughout the study period. In fact, over two-thirds of the registrants left the rolls within nine months of entering the sample. Neither of the two measures indicates whether registrants participated for a short or long period of time.

Given these shortcomings of the two participation measures used thus far, this section presents another type of analysis of participation which measures the program's success in saturating the AFDC-U caseload with CWEP in a different way. This approach examines the proportion of clients who, at a specific point in time relative to sample entry, were still on the rolls, did not have jobs and had not yet participated. This is the group

eligible for the program but not reached by the CWEP participation requirement.

Figure 8.4 indicates that in both the saturation and comparison areas, this group of registrants was small. (Appendix Table F.3 provides more detailed figures.) At nine months after sample entry, 4 percent of the saturation area registrants and 17 percent of the comparison area registrants were still on welfare, were not employed, and had never participated in CWEP. The proportion of prior and new registrants not covered by the participation requirement was similar: 3 percent of the prior registrants and 4 percent of the new registrants in the saturation areas and 19 and 15 percent, respectively, in the comparison areas.

The difference in coverage between the saturation and comparison areas can be explained in several ways. First, as noted earlier, registrants in the saturation areas were more likely to be deregistered from the program than registrants in the comparison areas so that a large proportion of registrants in the comparison areas was still available for CWEP assignments nine months after entering the research sample. Second, as described in previous sections, more effort was made in the saturation areas to get as many available AFDC-Us as possible into CWEP. The 4 percent of the saturation area registrants who were not subjected to the CWEP mandate were likely to be the few registrants, described at the beginning of the chapter, who were exempted from CWEP. In addition, those registrants who had not participated in CWEP by nine months after sample entry may have been sanctioned previously due to noncompliance and by the nine month point may have been back on the rolls.

FIGURE 8.4

ALL AFDC-U: PROGRAM, EMPLOYMENT, AND WELFARE
STATUS IN THE NINTH MONTH
AFTER SAMPLE ENTRY

SATURATION AREAS

COMPARISON AREAS

Never Participated in CWEP
Not Employed, Registered

Participated in CWEP
Not Employed, Registered

Registered,
Employed

Deregistered,
On Welfare

Deregistered,
Off Welfare
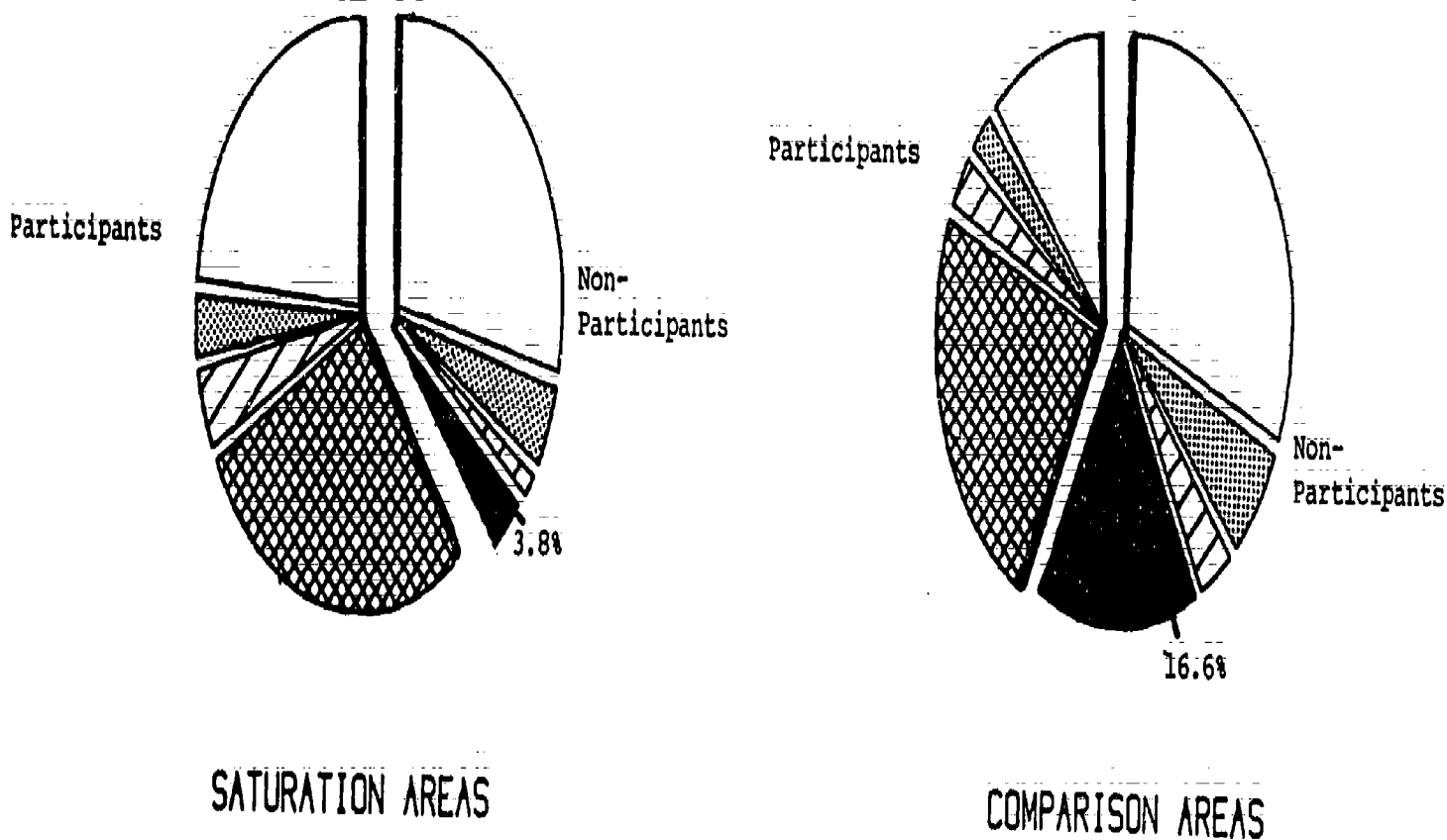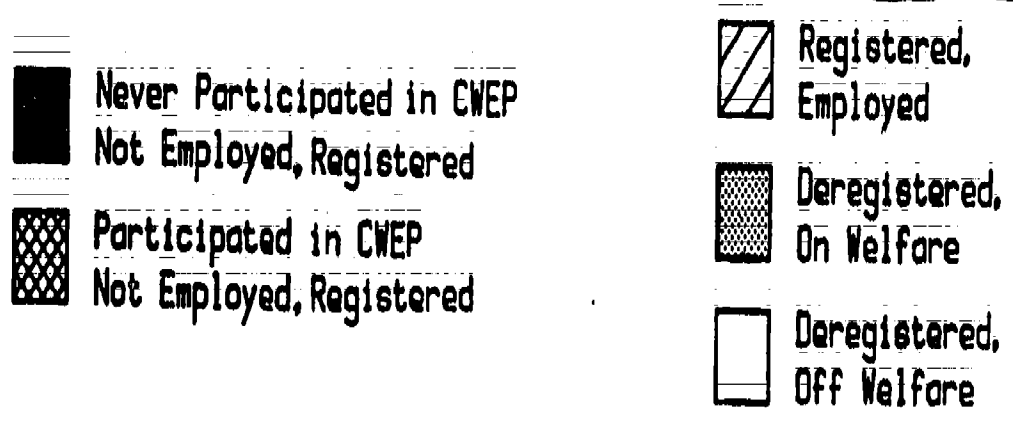
VI. Intensity of Participation

CWEP, as operated for AFDC-Us, was intended to require continuous participation: once assigned to a worksite, registrants were expected to work until they left the welfare rolls. This section discusses how much time typical participants spent at CWEP worksites and whether participants worked in CWEP assignments during every month they were on the rolls.

Interviews with worksite participants and supervisors as part of the worksite study (described in Chapter 2) indicated that AFDC-Us worked an average of 66 hours during each assigned month; fewer than one in eight men worked less than 40 hours per month.[9] Over three-fourths of the men typically worked full-time during either the first two or last two weeks of each month.

Most of the men who participated in CWEP did so for a fairly long time. As shown in Table 8.5, of the 1,138 registrants in the saturation areas who entered the research sample by June 1983 and participated in CWEP within 18 months of sample entry, 76 percent participated at a worksite for more than three months during this period. The comparable figure for participants in comparison areas was 71 percent.

This finding is significant in that in West Virginia, the requirement to participate in CWEP was ongoing, unlike in the WIN Work Experience programs run for welfare recipients in many other states, which assigned participants for 13 weeks of work. Yet, in WIN Work Experience programs, work could be full-time regardless of the grant amount, while CWEP in West Virginia did not involve full-time work. Nearly three-quarters of those who participated did so for more than three months. Fourteen percent of this early group of participants in the saturation areas performed CWEP

TABLE 8.5

WEST VIRGINIA

PERCENTAGE DISTRIBUTION OF NUMBER OF MONTHS PARTICIPATED IN CWEP
FOR AFDC-U SAMPLE WHO PARTICIPATED WITHIN 15 MONTHS,
BY RESEARCH GROUP
(MARCH - JUNE 1983 SAMPLE)

Number of Months Participated in CWEP	Saturation	Comparison
One Month	4.9	8.2
Two Months	9.6	11.6
Three Months	10.0	9.0
Four Months	8.1	5.9
Five Months	5.9	8.2
Six Months	5.3	5.0
Seven Months	4.3	6.3
Eight Months	4.9	5.1
Nine Months	4.7	5.7
Ten Months	2.7	3.8
Eleven Months	4.5	3.5
Twelve Months	3.2	4.7
Thirteen Months	3.3	2.9
Fourteen Months	2.9	3.1
Fifteen Months	3.5	2.9
Sixteen Months	3.9	2.9
Seventeen Months	4.7	2.0
Eighteen months	13.8	9.9
Total [a]	100.0	100.0
Sample Size	1138	837

SOURCE: MDRC calculations from the West Virginia WIN Information
System.

NOTES: Participation is defined as attending CWEP for at least one
day.

Tests of statistical significance were not examined.

[a] Sample size includes one individual who was coded as
participating for 0 months, since this individual participated only a few
days in the eighteenth month of follow-up.

work during every month of this 18-month period. The comparable figure for the comparison areas was 10 percent.

However, the statistics presented in Table 8.5 understate the extent of participation in that the follow-up period is limited to 18 months: 35 percent of the early sample participants in both the saturation and comparison areas were still participating in CWEP during the eighteenth month after sample entry. A better estimation of the duration of CWEP participation -- i.e. one that is not truncated at 18 months -- can be obtained from the special sample of 144 AFDC-Us for whom participation data were obtained beyond December 1984. (Chapters 7 and 10 provide a fuller description of this sample, as well as the methods used to analyze data obtained for this sample.) These data indicate that not only were registrants from the saturation areas more likely to participate in CWEP than their counterparts from the comparison areas, but that once they participated, they were likely to continue to participate for a longer period of time. Within the 34 to 37-month follow-up period provided by this extended data, participants from the saturation areas worked during 12.4 months and participants from the comparison areas worked during 11.0 months. However, since 12 percent of the saturation area individuals and 9 percent of the comparison area individuals were still participating at the end of the 34 to 37-month period, a projection of the number of months in which a client would participate over a five-year period was also calculated. The estimated average number of months in which a participant would be likely to work in CWEP during a five-year period was 13.8 months for the saturation areas and 11.9 months for the comparison areas.[10]

The following explanation may account for the longer length of stay in

CWEP in the saturation than the comparison areas. In the comparison areas, where caseload participation rates were restricted to around 40 percent, AFDC-Us appropriate for CWEP would be more likely not to be assigned to worksites than in the saturation areas, where an effort was made to assign all registrants appropriate for CWEP. Therefore, in comparison areas, registrants would be more likely to be available to replace a participant who was not cooperating. In the saturation areas, staff may have been more likely to try to work out difficulties and keep participants on the work-sites, since few other registrants were available to take their place.

Although the information presented thus far indicates lengthy parti-cipation among the 60 percent of the registrants from the saturation areas and the 41 percent of the registrants from the comparison areas who parti-cipated at least one day at a worksite, it does not address the question of whether registrants participated during every month in which they received welfare. Some indication of the extent of continuous participation can be determined by examining participation for a specific group of registrants over time. Such data are available for a sample of 518 registrants in the saturation areas and 748 registrants in the comparison areas who entered the research sample from March through December 1983 and were registered with WIN continuously through 1984; everyone in this sample was on welfare throughout the year. Eighty-four percent of those who participated in CWEP during January 1984 in the saturation areas were participating in December of that year and 86 percent of those participating in December had been participating in January. Thus, almost all of the AFDC-Us in the saturation areas participated in CWEP on an ongoing basis.

However, participation was not ongoing in the comparison areas. A

significantly lower proportion of registrants in these areas appear to have participated during every month in which they were registered with WIN. Sixty-six percent of those who participated in CWEP in January in the comparison areas were still participating in December and 58 percent of those who were participating in December had also participated in January.

CHAPTER 9

EMPLOYMENT AND WELFARE EXPERIENCES OF THE AFDC-Us

This section presents the employment and welfare experiences of the AFDC-Us eligible for CWEP. Saturation-comparison differences are first discussed for the full sample: 2,798 individuals in the combined saturation areas and 2,832 in all comparison areas. Each sample's patterns of employment and AFDC receipt were examined for a period beginning one year prior to sample entry up through six or seven quarters after that date.

I. Analysis Issues

The primary objective of the CWEP AFDC-U demonstration was to test the feasibility of saturation, or making the work-for-benefits rule mandatory for as many of the AFDC-U eligibles as possible. Questions of scale were paramount: what was the maximum CWEP slot availability; the staff capacity for assignment and monitoring; and the upper limit of caseload coverage? Answers to these questions required that the saturation test be conducted on an area-wide basis for all AFDC-Us, not by randomly assigning and studying portions of the AFDC-U caseload within areas. This priority therefore forced trade-offs in the scope and reliability of the impact and benefit-cost research, primarily because it was not possible to use an experimental design.

Consequently, a comparison area design was put into place, under which estimations of impacts on employment and welfare receipt are usually problematic. In the West Virginia design, two problems were paramount.

First, the treatment differences between the two areas -- unlike those in the AFDC design -- were differences in the degree of CWEP coverage, not in the kind of treatment. CWEP participation in the comparison areas was limited to a maximum of 40 percent of the caseload monthly, but, in the saturation areas, the slots were unlimited. The differences between outcomes would show the effects of CWEP operated at a limited scale compared to CWEP run at saturation level. (In contrast, the AFDC study examined the effects of some CWEP compared to no CWEP, as represented by the control group.)

The second, and much more important, limitation to a comparison area design is that differences across areas in characteristics of the sample or the types and condition of the labor market (as discussed in Chapter 7) may hide or distort CWEP's saturation employment and welfare effects. (This issue was not a concern in the AFDC analysis because random assignment created two demographically similar research groups distributed evenly across areas.) Different labor market conditions could cause characteristics of the welfare caseload to vary by area and could also directly affect the availability of unsubsidized employment and, hence, clients' departure from the rolls. It is thus difficult to tell how much the estimates of program effects were distorted by pre-existing client differences and the differing extent of job opportunities.

In addition, MDRC's analyses of impacts for OBRA-type programs in other states have led to the expectation that employment effects for AFDC-Us will be small or even non-existent, although welfare savings are frequently found.[1] The inter-area differences in the West Virginia AFDC-U demonstration may be large enough to obscure any modest employment, and

even welfare effects.[2] In addition, true incremental program effects can be clouded by unmeasured area differences in local politics or culture or in details of administrative practice.

A first view of labor market differences across areas can be seen in unemployment rates. Table 9.1 displays area quarterly unemployment rates at an early and a later point in time during the demonstration period. The unemployment rates varied considerably both within and across the saturation and comparison areas, and were not similar by matched area pair.[3] The wide range by area -- from 12.0 to 30.4 in the first period; from 9.8 to 25.1 in the later period -- confirms that local conditions could indeed be a confounding factor in estimating impacts in the AFDC-U demonstration.

In addition, the quality of employment and earnings data almost certainly differed in the saturation and comparison areas, tending to further blur underlying differences in work activity.[4] As discussed previously, the Unemployment Insurance earnings records do not contain information on individuals working out of state and or in uncovered jobs.[5] (In the AFDC analysis, this was not a serious problem because experimentals and controls had an equal opportunity to work out of state or take uncovered jobs.) All four of the saturation areas were located near borders of other states, while only two of the comparison areas were. Saturation area AFDC-Us may therefore have been more likely to find work out of state, and their employment would not be recorded in West Virginia's UI system.[6] A possible loss of measured employment in saturation areas would make the full CWEP effort appear less effective in increasing employment than might actually be the case.

These design and data quality problems lower the chances that inter-

TABLE 9.1

WEST VIRGINIA

LOCAL AREA UNEMPLOYMENT RATES BY SELECTED CALENDAR
QUARTERS, FOR THE ORIGINAL MATCHED SATURATION-COMPARISON PAIRS[a]

| AREAS: Saturation/Comparison | Local Area Unemployment Rates | | | |
| | April-June 1983 | | October-December 1984 | |
	Saturation	Comparison	Saturation	Comparison
Huntington/Fairmont	20.7	13.3	13.1	14.4
Parkersburg/Clarksburg	15.5	17.5	9.8	12.1
Martinsburg/Grafton	12.0	18.9	10.2	16.3
Princeton/Fayetteville	20.3	30.4	15.3	25.1

SOURCE: Labor and Economic Research Section, Department of Employment
Security of the State of West Virginia, Local Area Unemployment Statistics.

NOTES: [a]Saturation and comparison areas sharing several similar character-
istics were paired at the start of the demonstration. The initial analysis plan
for the impact study called for estimation of saturation-comparison differences
separately for each of the original matched pairs, taking a weighted average of
pairwise differences as the full sample impact.

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area differences can serve as a reliable measure of CWEP's incremental effects. Given this situation, the impacts discussed below will be used only to inform, not answer, the questions on the saturation program's effect on employment and welfare receipt.

It should also be noted that the welfare payments data for AFDC-Us are organized slightly differently from the same data for AFDCs. In order to accommodate a regression control for prior-quarter local area unemployment, welfare payments were clustered into quarters that exactly corresponded to the UI earnings quarters. Thus, quarter 1 is not considered a true follow-up quarter in the overall summary impact measures for welfare receipt, as well as for employment and earnings.

II. <u>Patterns of Employment and Welfare Receipt</u>

Several features of the AFDC-U saturation program, already discussed, might have influenced employment and welfare receipt. First, the overall CWEP participation rates were substantially raised in the saturation effort, going from 40.6 percent in the comparison areas to 60.4 percent in the saturation areas. The sanctioning rate was also more than double the rate found in comparison areas: 6.3 percent vs. 2.8 percent. (Both of these rates were higher than the AFDC sanctioning rate.) Both might be expected to increase work and reduce welfare receipt.

Another factor was the very high statewide unemployment rate during the demonstration, which seriously curtailed job prospects, and may have undercut any impetus CWEP had given its clients to search for unsubsidized jobs. Substantial numbers of CWEP participants stayed in their assignments for long periods of time. Especially in light of the positive attitudes

expressed toward the work-for-benefits concept by CWEP participants, it may be that some participants viewed their positions as "job substitutes" when no other jobs were to be had.

Table 9.2 shows that the employment rates for saturation and comparison areas remained roughly the same throughout the follow-up, with no substantial or statistically significant differences in any quarter. Earnings, on the other hand, decreased slightly for the saturation members, averaging only $2,582 from quarters 2 through 6, compared to $2,785 for the comparison area AFDC-Us. The negative impact of $202 is 7.3 percent of the comparison area average, a not statistically significant difference which stems largely from a significant drop of $102 in the final follow-up quarter. Although the known data problems suggest that both employment and earnings might have been higher in the saturation areas than indicated by these estimates, a conservative conclusion would be that expansion of CWEP did not lead to significant employment or earnings gains. Such a result would also be consistent with the findings from other MDRC studies of work/welfare programs for AFDC-U fathers.

As shown in Table 9.2, the trend is different for welfare outcomes, and there may have been substantial welfare savings. Starting from a point of approximate equality in the quarter of sample entry, the proportions receiving welfare in the saturation and comparison areas quickly diverged until, by the end of the follow-up, a difference of 6.9 percentage points had opened up. A receipt rate of 52.3 percent was recorded in quarter 7 for the comparison AFDC-Us compared to 45.4 percent for saturation AFDC-Us, a statistically significant difference. An accompanying difference in average welfare payments of $55, also statistically significant, represents

TABLE 8.2

WEST VIRGINIA

ALL AFDC-U: EMPLOYMENT, EARNINGS, AND AFDC RECEIPT
FOR CWEP SATURATION AND COMPARISON AREAS
(MARCH 1883 - APRIL 1984 IMPACT SAMPLE)

Outcome and Follow-Up Period	All AFDC-U: Prior and New Registrants		
	Saturation	Comparison	Difference
Ever Employed, Quarters 2 - 6 (%)[a]	42.6	42.8	- 0.4
Average Number of Quarters With Employment, Quarters 2 - 6[a]	1.23	1.22	+ 0.01
Ever Employed (%)			
Quarter of Sample Entry	15.8	14.8	+ 1.0
Quarter 2	20.2	20.3	- 0.1
Quarter 3	24.6	24.3	+ 0.4
Quarter 4	26.6	25.7	+ 0.9
Quarter 5	25.1	24.4	+ 0.7
Quarter 6	26.5	27.6	- 1.1
Average Total Earnings, Quarters 2-6 (\$)[a]	2582.32	2784.76	-202.44
Average Total Earnings (\$)			
Quarter of Sample Entry	143.82	152.90	- 9.08
Quarter 2	301.73	353.85	- 52.12*
Quarter 3	515.27	530.87	- 15.60
Quarter 4	614.31	608.36	+ 5.95
Quarter 5	562.53	601.03	- 38.50
Quarter 6	588.47	680.64	-102.18***
Ever Received Any AFDC Payments, Quarters 2 - 7 (%)[b,a]	89.5	91.0	- 1.5**
Average Number of Months Receiving AFDC Payments, Quarters 2 - 7[b,a]	10.32	11.48	- 1.16***
Ever Received Any AFDC Payments (%)			
Quarter of Sample Entry	74.4	74.0	+ 0.3
Quarter 2	84.3	86.1	- 1.8*
Quarter 3	62.3	67.1	- 4.8***
Quarter 4	55.8	60.9	- 5.0***
Quarter 5	53.8	58.2	- 4.3***
Quarter 6	50.9	56.5	- 5.5***
Quarter 7	45.4	52.3	- 6.8***
Average Total AFDC Payments Received, Quarters 2 - 7 (\$)[b,a]	1815.87	2144.76	-228.88***
Average AFDC Payments Received (\$)			
Quarter of Sample Entry	306.88	317.83	-10.84**
Quarter 2	401.74	428.38	-26.64***
Quarter 3	321.48	352.96	-31.48***
Quarter 4	298.10	333.00	-34.90***
Quarter 5	317.20	354.50	-37.30***
Quarter 6	300.53	343.72	-43.18***
Quarter 7	276.83	332.20	-55.37***
Sample Size	2788	2832	

(continued)

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TABLE 8.2 (continued)

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance earnings records.

NOTES: The earnings and AFDC payments data include zero values for sample members not employed and for sample members not receiving welfare. The data are regression-adjusted using ordinary least squares, controlling for pre-sample entry characteristics of sample members and prior-quarter local area unemployment rates. There may be some discrepancies in calculating sums and differences due to rounding.

The quarter of sample entry refers to the calendar quarter during which an individual entered the demonstration.

[a]Quarter 1, the quarter of sample entry, may contain some earnings from the period prior to sample entry and is therefore excluded from the measures of total follow-up employment and earnings.

[b]Monthly welfare data, which count the month of sample entry as "month one," were regrouped into calendar quarters that exactly match the Unemployment Insurance earnings quarters in order to accommodate the control for quarter-prior local area unemployment rate. Quarter 1 is therefore also excluded from the measures of total follow-up of AFDC receipt and payments. This differs from the organization of payments data for the AFDC assistance category in this report.

A two-tailed t-test was applied to differences between saturation and comparison groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

a 16.7 percent lower average welfare expenditure per AFDC-U sample member in the saturation areas (against the comparison AFDC-U adjusted mean of $332). Cumulatively, from quarters 2 through 7, saturation AFDC-Us spent more than a month less time on welfare than comparison AFDC-Us and received $229 less in payments (down from the comparison average of $2,145). While none of these welfare findings suffer from data quality problems, the overall design problems indicate caution in accepting any of the numbers as actual program impacts.

The previous discussion has centered exclusively on differences measured between the CWEP saturation and CWEP comparison area sample members. But it is also of interest to look at the general up-and-down movement of employment and welfare receipt for AFDC-U registrants -- taking into account the inter-area similarities rather than the differences. To do this, graphs of the percent employed and percent receiving welfare were drawn for the members of saturation and comparison area samples. (See Figure 9.1.) For both groups, there was a slight growth in the employment rate after the research began so that, in the final quarters of follow-up, the rate exceeded the highest level prior to research start (although employment never rose above 30 percent in any quarter). Both groups also had similar patterns in welfare receipt. Although neither group's dependency fell to the lowest level prior to research start, the rate was still declining by the end of follow-up. The decline was somewhat more pronounced in the saturation sample.

It is usual for program operators to answer questions about program success by crediting all employment subsequent to registration as program placements and all departures from welfare as case closings due to the

FIGURE 9.1

AFDC-U: QUARTERLY EMPLOYMENT RATES AND
AFDC RECEIPT, BY RESEARCH GROUP
(MARCH 1983 – APRIL 1984 IMPACT SAMPLE)

Quarterly Employment Rate and AFDC Receipt (%)

SATURATION GROUP

Employment Rate

Rate of AFDC Receipt

Quarter Relative to Sample Entry

Quarterly Employment Rate and AFDC Receipt (%)

COMPARISON GROUP

Employment Rate

Rate of AFDC Receipt

Quarter Relative to Sample Entry

252
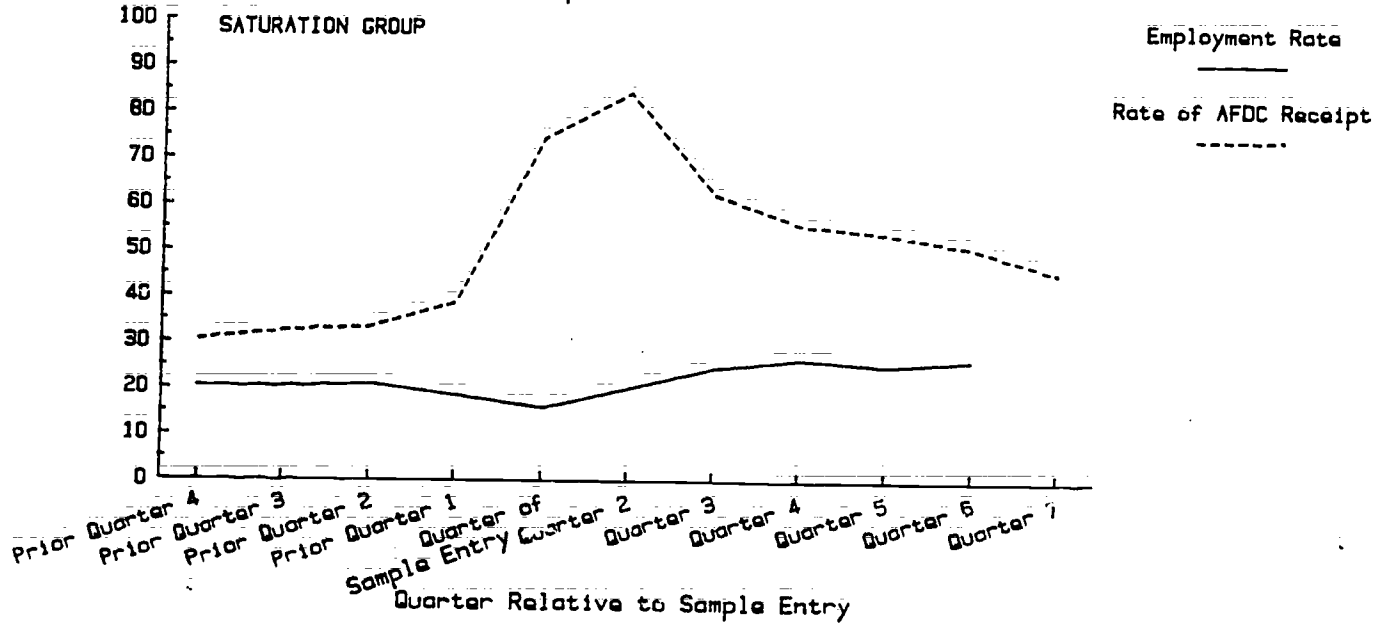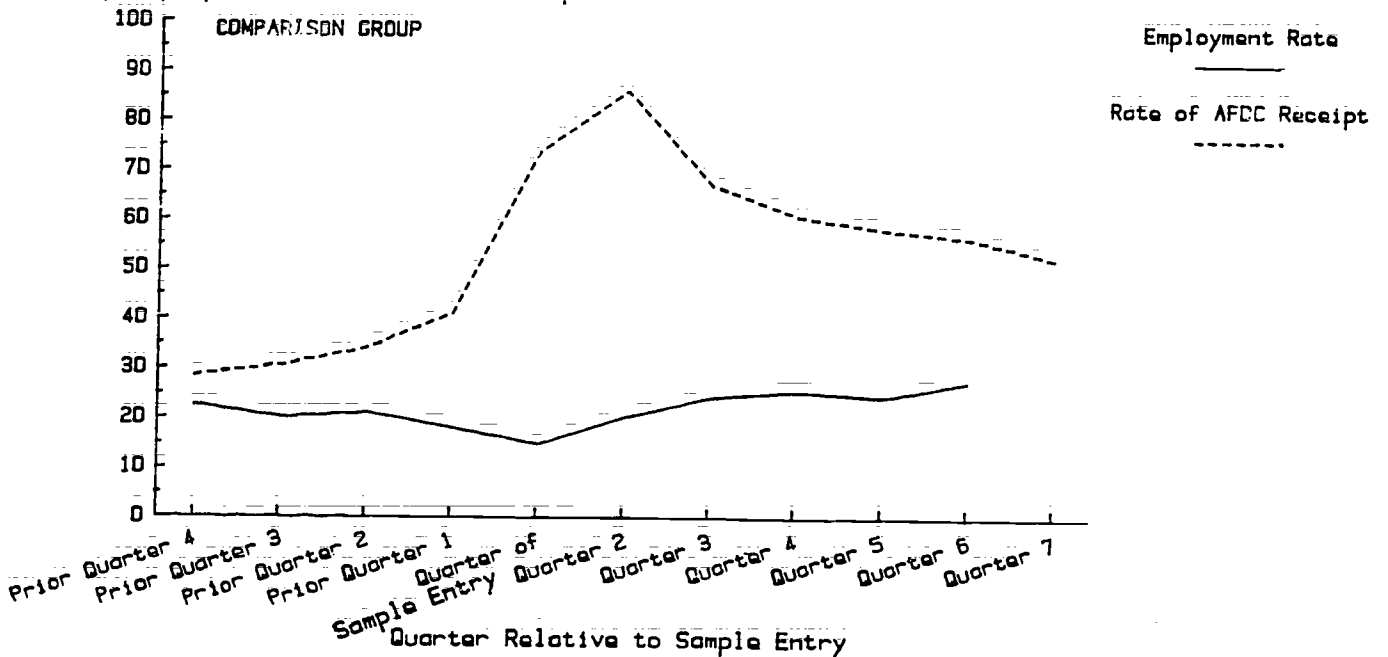
program. But do these measures bear any relation to changes in behavior actually produced by a program? In other words: how much of the graphed slow rise in employment and the steeper decline in welfare receipt can be attributed to the services offered and sanctions imposed by CWEP staff and how much to the normal job-seeking behavior and caseload turnover of an AFDC-U population?

These questions might have been answered had an experimental design been possible in the AFDC-U study. However, data from prior programs for AFDC-Us in other demonstration states may permit some rough empirical distinctions to be drawn between normal employment and welfare behavior, and true program effects. For this purpose, Figure 9.2 takes the employment and welfare curves for saturation AFDC-Us and superimposes the employment and welfare curves of the AFDC-U control groups in San Diego and Baltimore. These control groups received only minimal WIN services and represent normal client behavior, albeit in more urban and considerably better labor markets than West Virginia's. The time periods and demographic mixes also differ across states so that these rough comparisons are all that is possible, given the above differences and the probable understatement of employment levels by the West Virginia UI ta.

For the two urban sites, gradually improved employ nt a decline in welfare receipt over time was the normal behavior fo AFD Us in the absence of special services. By analogy, it seems likely that at least some part of the increase in employment and the declin among West Virginian AFDC-Us would also have occurred in the absence EP. The research in San Diego and Baltimore reached the strong conclusion the traditional use of placement numbers and case closings as measures

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FIGURE 9.2

AFDC-U SATURATION AREAS: EMPLOYMENT RATES AND AFDC RECEIPT, IN COMPARISON TO AFDC-U CONTROLS IN SAN DIEGO AND BALTIMORE

Quarterly Employment Rates (%)

West Virginia AFDC-U Saturation Areas

San Diego Controls

Baltimore Controls

Quarter Relative to Research Start

Quarterly AFDC Receipt (%)

West Virginia AFDC-U Saturation Areas

San Diego Controls

Baltimore Controls

Quarter Relative to Research Start
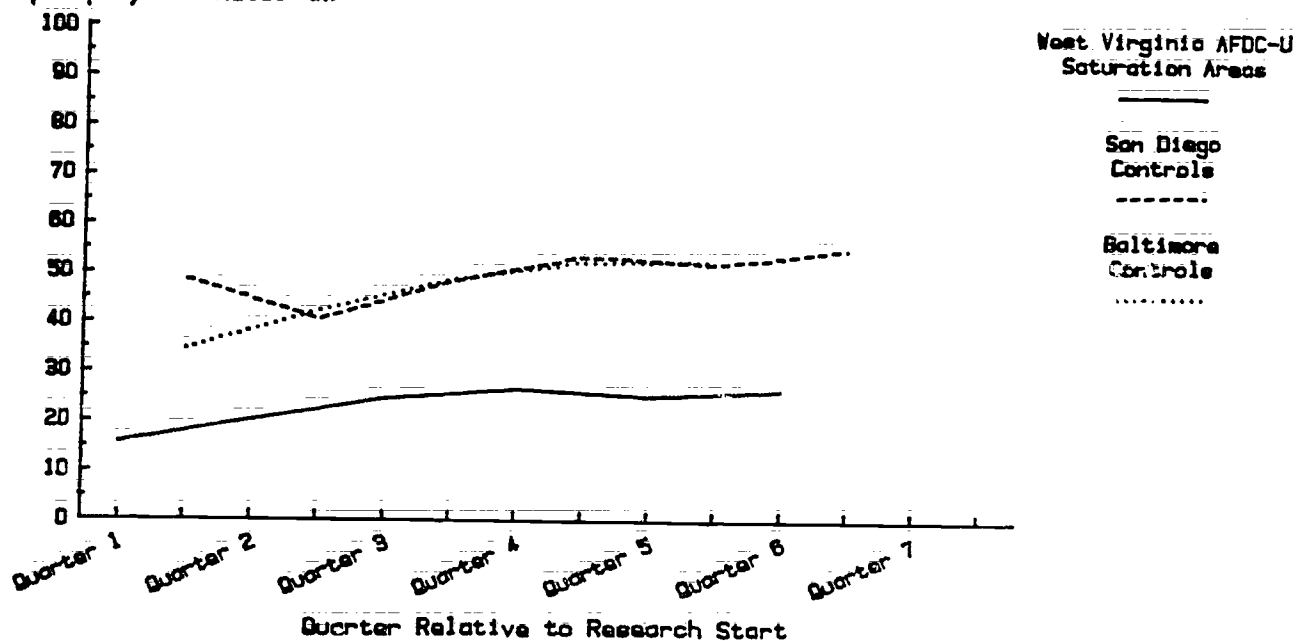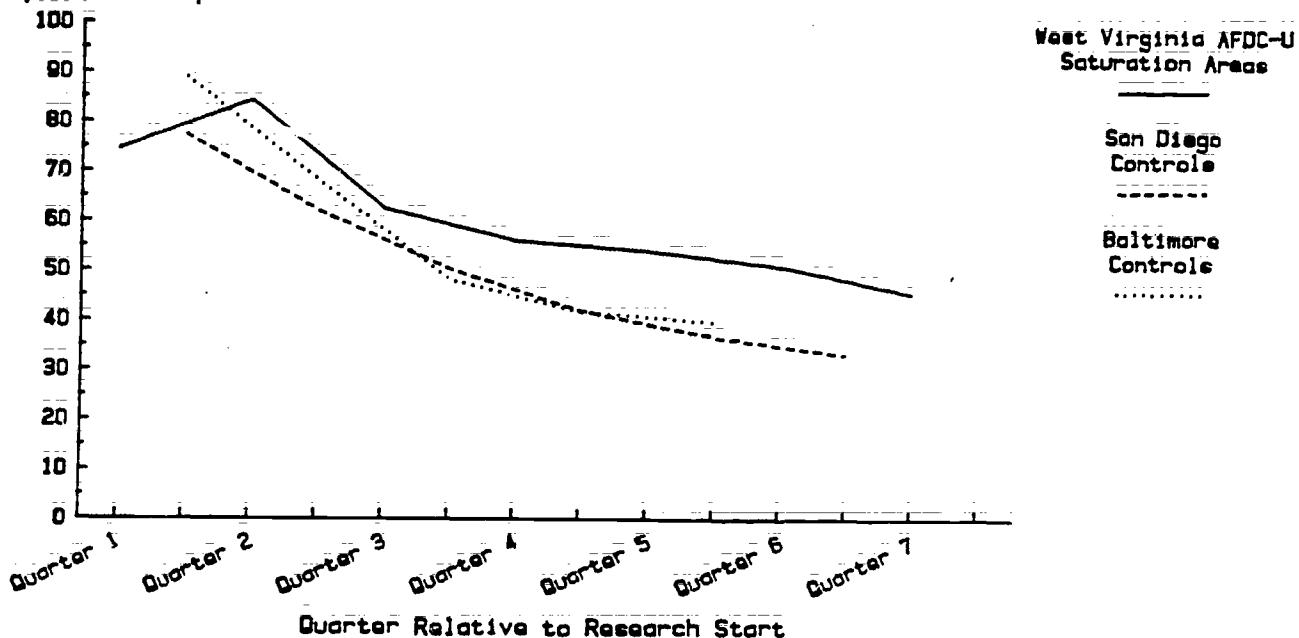
program success would have led to vastly overstated program effects. Much of the employment and welfare savings would have occurred in the normal course of events: that is, by clients acting on their own without program assistance or encouragement. A similar conclusion is suggested for West Virginia, although "placed by the program" or "obtained a job" may be more valuable program outcomes in that state simply because the prospects of employment through the clients' own efforts are so much bleaker.

CHAPTER 10

AFDC-U BENEFIT-COST ANALYSIS

As discussed earlier, the research design for AFDC-Us was aimed at testing the feasibility of CWEP saturation. This section will focus on estimates of the extra value of CWEP output and the additional cost of the program associated with the saturation effort. These two elements and, to a much lesser extent, the program's probable effects on earnings and transfer payments, will then be used to assess the potential value of the program to the welfare sample, government budgets, taxpayers, and society as a whole. This reflects the fact that, as already indicated, saturation-comparison differences in earnings and AFDC payments must be interpreted cautiously.

I. In-Program Output

For the AFDC-U research sample, estimates of the value of CWEP output were made using the same data sources and valuation procedures as for AFDCs, unless otherwise noted. However, the saturation-comparison research design for studying the AFDC-U group is important to keep in mind when interpreting CWEP output results. In particular, saturation-comparison differences reflect the fact that the comparison group generally received the same services as the saturation group but participated in CWEP at a lower level than the saturation group. Throughout this chapter, the term "net" is used to refer to saturation-comparison differences, for example, the net cost of CWEP means the cost of providing CWEP to the saturation

group minus the cost of providing CWEP to the comparison group.

In general, the saturation areas achieved their broad goal: higher levels of CWEP participation and coverage than comparison areas. This difference in participation led to an increase in CWEP output of $654 per saturation area enrollee during the observation period. (See Table 10.1.) To estimate this value, the ratio of productivity of AFDC-U CWEP workers to entry-level workers (1.22) was multiplied by regular workers' average wage rate ($3.61 plus 17 percent for fringe benefits) to estimate the average value of CWEP work per hour ($5.20). This value per hour was multiplied by 2.2, the average number of hours worked per assignment day, resulting in the average value of CWEP work per assignment day. Finally, the value per assignment day was multiplied by 57, the saturation-comparison difference in days assigned to CWEP during the observation period per saturation area enrollee.[1]

The productivity ratio of 1.22 means that on average the supervisors of AFDC-U CWEP workers judged them to be 22 percent more productive than regular workers. Although somewhat higher than the average productivity ratios estimated for other states in MDRC's Demonstration of State Work/Welfare Initiatives, this figure is reasonable; given the high unemployment rate in West Virginia during the demonstration, it is not surprising that the AFDC-U group included productive workers, who had held jobs long enough to gain job skills.[2]

From the special study of post-observation enrollment, the saturation-comparison difference in average CWEP days after December 1984 was estimated to be 30 days per saturation area enrollee.[3] Thus, there was less additional CWEP output after December 1984 for the AFDC-U group than was

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TABLE 10.1

WEST VIRGINIA

AFDC-U: ESTIMATED NET[e] PROGRAM COSTS AND VALUE OF CWEP OUTPUT
PER SATURATION AREA ENROLLEE

Component Of Analysis	Observed Value[b]	Estimated Value From End of Observation Period Through Five Years From Random Assignment[c]	Total
Costs			
Program Operating Costs			
Compliance Activities	$4	--[e]	$4
Intake/Assessment	0[c]	--[e]	0[d]
CWEP	44	23	67
Job Placement and Other Activities	-7	-19	-26
CWEP Stipends	75	14	89
Other Support Services Costs	2	--[e]	2
Total Net Costs	$118	$18	$136
Value of CWEP Output	$654	$338	$992

SOURCE: MORC calculations from the MORC worksite survey, West Virginia Report of Service Activity (ROSA) data, the West Virginia WIN Information system, and West Virginia Department of Human Services fiscal data.

NOTES: The results are based on a sample of 2798 saturation and 2832 comparison area enrollees, and are expressed in 1984 dollars. Because of rounding, detail may not sum to totals.

[a] The net cost or benefit is the value of that cost or benefit per experimental minus the value per control.

[b] The observation period for the full sample ended in January 1986 for CWEP stipends; all other costs were observed through December 1984.

[c] Additional enrollment information was collected for a subsample of 144 saturation and comparison area individuals still enrolled in December 1984. This information was used to estimate costs and value of CWEP output for saturation and comparison area enrollees through five years from research start.

[d] Estimated value less than $0.50 and greater than -$0.50.

[e] These costs were not estimated beyond the observation period.

estimated for the observation period. While this is the reverse of the pattern for the AFDC group, it is consistent with the finding that members of the AFDC-U group are more likely than members of the AFDC group to leave the welfare rolls sooner -- in this case, by the end of the observation period. As seen in Table 10.1, the estimated value of the additional CWEP days from the end of the observation period through the five years from the start of the research resulted in net output valued at $338 per saturation enrollee. This output, together with that produced during the observation period, resulted in a total net output valued at $992 per saturation area enrollee.

Policymakers may be interested in not only the net outcomes, that is the differences between registrants in the saturation and comparison areas averaged over all registrants, but also the gross value of resources produced per CWEP participant. CWEP participants in the saturation areas were assigned to CWEP for an average of 12 months over the five-year period covered in the benefit-cost analysis. During this time, CWEP participants in the saturation areas produced an average of $4,270 in output each.

As explained in Chapter 6, the value of increased output to society is reduced if regular workers are displaced due to CWEP work assignments. Using worksite survey data, it was estimated that only 4 percent of all AFDC-U CWEP participants did work that would have been done by newly hired regular employees in the absence of the program.[4]

II. Program Costs

As shown in Table 10.1, the net program operating cost per saturation area enrollee was small, at $41 during the observation period, plus another

$4 through the end of the five-year period of analysis. These estimates consist of the same cost components, and were estimated using the same procedures, as described in the benefit-cost analysis for the AFDC group.[5] The reader should keep in mind that the costs discussed here are not average program costs, but average differences in costs between two groups that received many of the same services. (The average cost per CWEP participant will be discussed later in this section.)

The net cost of compliance was small at $4; although 5 percent more saturation than comparison area enrollees were sanctioned, the cost in staff time per sanction was low (approximately $65). The net cost for intake/assessment was estimated to be zero, since all registrants, saturation and comparison, were assigned the same unit cost. The cost of operating the CWEP component followed the same pattern as the value of CWEP output, with a larger net cost during the observation period than after. The slightly negative net cost estimate for job placement and other activities reflects the fact that a greater number of program enrollment days were recorded for enrollees in the comparison areas than enrollees in the saturation areas, resulting in a higher average cost per comparison area enrollee.

AFDC-U registrants from saturation and comparison areas were entitled to the same allowances and support services as members of the AFDC group. The only two changes made in estimating these costs for the AFDC-U group were that Title XX child-care costs were not included, as this service was used by very few members of the AFDC-U group, and the costs were not regression-adjusted. Table 10.1 presents the net cost of CWEP stipends and other non-child-care support services. The net cost of CWEP stipends

during the observation period was about $75 per saturation area enrollee. The estimate of the net cost of stipends beyond the observation period ($14) is again consistent with the pattern of CWEP operating costs and value of CWEP output; the effect of saturation on each during the post-observation period was less than that estimated for the observation period. Support services other than CWEP stipends were used only to a small extent. The net cost for these services was near zero.

The findings for the AFDC-U group may be restated as average gross costs per CWEP participant from a saturation area instead of as net costs per registrant. When estimated per CWEP participant, the average costs of operating the program during the full five-year period of analysis were $287 for operating the CWEP component, $64 for job placement and other activities, $24 for intake and assessment and $12 for compliance activities. In addition, transportation stipends averaged $357, and other support services added $13 to the program cost per CWEP participant. Thus, the average total program cost for each saturation area CWEP participant was $757 over five years. This is lower than the cost per AFDC CWEP participant, the difference largely accounted for by two factors: child-care costs for the AFDC group, and higher CWEP costs per participant for the AFDC group than for the AFDC-U group. The higher CWEP costs are caused by a higher average number of days as well as a higher cost per day for AFDCs than for AFDC-Us.

III. Overall Results

The findings of this benefit-cost analysis largely result from those characteristics of West Virginia's program that make both its goals and its

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expected effects different from those of other employment programs for welfare recipients. Specifically, the unlimited duration and high partici- pation rates in the major component, CWEP, largely determined the costs and value of output of the program. Moreover, these same CWEP characteris- tics and a poor labor market contributed to uncertainty about the direction that the earnings and welfare effects would be expected to take.

The overall value of the saturation model can be assessed from the perspectives of the welfare sample, government budgets, taxpayers, and society in a primarily qualitative fashion, given the inherent difficulty in deducing precise impacts from estimates of saturation-comparison differ- ences in earnings and welfare payments. As discussed earlier in this chapter, estimates of AFDC payments in the saturation and comparison areas suggest that higher CWEP participation in saturation areas did not result in increased average AFDC payments in these areas and indeed appears to have decreased such payments for enrollees in the saturation areas. At the same time, members of the saturation group appeared to earn less than members of the comparison group. It seems reasonable to conclude, there- fore, that the program did not increase the financial resources of the welfare sample in the saturation areas.

When weighing the benefits and costs of the saturation model from the perspective of the AFDC-U welfare sample (as for the AFDC group), readers should keep in mind that the program provided community service jobs in an extremely poor labor market. While it appears that the welfare sample experienced no direct financial gain from the saturation model, the intangible value of such a job to an unemployed parent may be significant. Like the AFDC CWEP participants, AFDC-U CWEP participants who were involved

in the worksite survey indicated that they were satisfied with having their AFDC benefits tied to a work requirement. In fact, 90 percent of the AFDC-U survey sample was either "very satisfied" or "somewhat satisfied" with the requirement.[6]

That earnings did not increase for saturation area enrollees meant that saturation did not result in greater taxes, which contribute to the amount of money available in the government budget. However, the apparent decreases in average welfare (AFDC-U) and other transfer payments were large enough so that they did lead to overall savings in government budgets even with the cost of the program and with estimated reductions in taxes. Furthermore, when the value of CWEP output is added to a positive budget result, the total value of the saturation model to taxpayers becomes highly positive.

To evaluate the program from the perspective of society as a whole, the unclear findings from the perspective of the welfare sample should be weighed with positive findings for the taxpayer. However, in the absence of reliable point estimates of program impacts, it is difficult to assess whether the program's benefits outweigh its costs from the point of view of society as a whole.

APPENDIX A

TABLE A.1

WEST VIRGINIA

SELECTED CHARACTERISTICS OF THE AFDC SAMPLE
AT THE TIME OF RANDOM ASSIGNMENT, BY RESEARCH GROUP
(JULY 1983 - APRIL 1984 SAMPLE)

Characteristic	Experimentals	Controls	Total
Welfare Status (%)			
Prior Registrant	69.9	71.5	70.7
New Registrant	30.1	28.5	29.3
Average Age (Years)	34.5	34.6	34.6
Ethnicity (%)			
White, Non-Hispanic	90.2	89.6	89.9
Black, Non-Hispanic	9.5	10.2	9.8
Other	0.3	0.2	0.3
Degree Received (%)			
High School Diploma	31.7	33.8	32.8
General Equivalency Diploma	13.5	12.9	13.2
No High School Diploma	54.8	53.3	54.0
Average Highest Grade Completed	10.2	10.3	10.2*
Marital Status (%)			
Never Married	14.0	12.6	13.3
Married, Living with Spouse	16.6	17.0	16.8
Married, Not Living with Spouse	22.9	22.8	22.8
Divorced, Widowed	46.5	47.6	47.0
Prior AFDC Dependency (%)			
Never on AFDC	14.1	13.7	13.9
Two Years or Less	31.9	31.9	31.9
More Than Two Years	54.0	54.4	54.2
Average Number of Months on AFDC in Two Years Prior to Random Assignment	13.9	14.1	14.0
Held Job at Any Time During Four Quarters Prior to Random Assignment (%)[a]	18.5	17.3	17.9
Average Earnings During Four Quarters Prior to Random Assignment ($)[a]	482.37	412.26	447.43
Sample Size[b]	1853	1841	3694

(continued)

SOURCE: Calculations from MORC Client Information Sheets and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Prior registrants are randomly assigned at re-appraisal; new registrants are randomly assigned either at initial WIN registration or when newly redetermined to be WIN-mandatory.

Distributions may not add to 100.0 percent because of roundings.

[a] Calculated from Unemployment Insurance earnings records from tha State of West Virginia. Since many individuals worked out-of-state or in jobs not covered by the UI System, earnings data from the West Virginia Unemployment Insurance System is considered to underreport income.

[b] For selected characteristics, sample sizes may very up to 6 sample points due to missing data.

Differences between research groups are statistically significant using a two-tailed t-test or chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

APPENDIX B

TABLE B.1

WEST VIRGINIA

RECEIPT OF NON-CWEP SERVICES BY THE AFDC SAMPLE,
BY REGISTRATION STATUS AND RESEARCH GROUP
(JULY 1983 - APRIL 1984 SAMPLE)

Non-CWEP Services	Prior Registrants		New Registrants		Total	
	Experi-mentals	Controls	Experi-mentals	Controls	Experi-mentals	Controls
Participated in Any Non-CWEP Service[a]	6.3	6.8	5.3	5.0	6.3	6.2
Individual Job Search	0.3	0.8	0.9	1.7	0.5	1.1*
Group Job Search	0.1	0.2	0.5	0.0	0.2	0.1
On-the-Job Training	0.1	0.1[b]	0.2	0.2[b]	0.1	0.1[b]
Suspense to Training Status	3.6	4.4	2.3	2.1	3.2	3.7
Institutional Training	0.6	0.8	0.7	0.4[b]	0.6	0.7
JTPA Training	2.0	1.4	1.4	0.8	1.8	1.2
Sample Size	1296	1316	557	525	1853	1841

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: Participation is defined as attending any activity for at least one day.

Sample members randomly assigned in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the earlier or later part of April. For the process analysis, these sample members were counted as having 8 months of follow-up.

[a]Distributions may not sum to total because individuals can participate in more than one non-CWEP service.

[b]Chi-square test inappropriate due to low expected cell frequencies.

Differences between research groups are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

TABLE 8.2

WEST VIRGINIA

KEY PERFORMANCE INDICATORS OF THE AFDC EXPERIMENTAL SAMPLE
WITHIN NINE MONTHS AFTER RANDOM ASSIGNMENT, BY ADMINISTRATIVE AREA
(JULY 1983 - APRIL 1984 SAMPLE)

Performance Indicator	Wheeling	Fairmont	Martinsburg	Parkersburg	Clarksburg	Grafton	Huntington	Fayette-ville	Princeton
Participated in CWEP	23.5	10.2	21.5	27.9	22.5	9.4	31.6	21.1	38.1***
Participated in Other Activity	5.8	8.0	4.9	4.1	8.8	2.7	6.9	5.0	9.0**
Job Placement[a]	8.2	8.6	19.4	15.1	12.5	6.0	16.5	12.4	9.5***
Deregistered	41.2	45.5	45.8	38.6	48.3	28.2	49.1	37.9	48.2***
Sanctioned	0.3	0.5	5.6	0.0	0.0	0.0	5.8	2.5	1.4[b]
Sample Size	379	187	144	172	180	149	291	161	210

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: All performance indicators are calculated as a percentage of the total number of individuals in the indicated administrative area.

Participation is defined as .... any activity for at least one day.

Sample members randomly assigned in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

[a] Program placement information is based on employment that is reported to program staff. Program placement data will not be used to measure impacts.

[b] Chi-square test inappropriate due to low expected cell frequences.

Differences among administrative areas are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

TABLE B.3

WEST VIRG?.?/.

DISTRIBUTION OF THE AFDC EXPERIMENTALS BY PROGRAM, WELFARE,
AND EMPLOYMENT STATUS IN THE NINTH MONTH AFTER RANDOM ASSIGNMENT
(JULY 1983 - APRIL 1984 SAMPLE)

PRIOR REGISTRANTS

Status	Participant	Non-Participant	Total
On Welfare			
Deregistered			
Employed	0.2	0.2	0.5
Not Employed	0.8	5.2	6.1
Registered			
Employed	2.5	4.4	6.9
Not Employed	20.0	43.7	63.7
Off Welfare (Deregistered)			
Employed	1.8	5.8	7.6
Not Employed	1.6	13.7	15.3
Total	27.0	73.0	100.0
Total Number of Prior Registrants	350	946	1296

NEW REGISTRANTS

Status	Participant	Non-Participant	Total
On Welfare			
Deregistered			
Employed	0.0	0.7	0.7
Not Employed	0.2	11.1	11.3
Registered			
Employed	1.4	4.8	6.3
Not Employed	10.1	26.8	36.8
Off Welfare (Deregistered)			
Employed	2.2	12.7	14.9
Not Employed	2.8	27.1	30.0
Total	16.7	83.3	100.0
Total Number of New Registrants	93	464	557

(continued)

TABLE 8.3 (continued)

ALL AFDC

Status	Participant	Non-Participant	Total
On Welfare			
Deregistered			
Employed	0.2	0.4	0.5
Not Employed	0.6	7.0	7.7
Registered			
Employed	2.2	4.5	6.7
Not Employed	17.0	38.6	55.6
Off Welfare (Deregistered)			
Employed	1.9	7.8	9.8
Not Employed	2.0	17.7	19.7
Total	23.9	76.'	100.0
Total Number of AFDC Experimentals	443	1410	1853

SOURCE: MDRC calculations from the West Virginia WIN Information System and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Employed is defined as being placed into employment by the ninth month after random assignment, according to program records, or having UI earnings during a corresponding quarter. For individuals randomly assigned during July or October 1983, or January or April 1984, UI-recorded employment is examined during quarter 3 (the second follow-up quarter). For the rest of the sample, UI-recorded employment is measured during quarter 4. This procedure was followed because the ninth month following random assignment falls within the third quarter for the first group and during the fourth quarter for the rest of the sample.

Participation is defined as attending CWEP for at least one day.

Deregistration is defined as deregistered in the ninth month after random assignment.

Sample members randomly assigned in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they were randomly assigned in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

Tests of statistical significance between participants and non-participants were not calculated.

APPENDIX C

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TABLE C.1

WEST VIRGINIA

AFDC NEW REGISTRANTS: IMPACTS OF THE CWEP PROGRAM
(JULY 1983 - APRIL 1984 IMPACT SAMPLE)

Outcome and Follow-Up Period	AFDC: New Registrants		
	Experimentals	Controls	Difference
Ever Employed, Quarters 2 - 6 (%)[a]	28.2	30.1	-1.9
Average Number of Quarters With Employment, Quarters 2 - 6[a]	0.75	0.90	-0.15**
Ever Employed (%)			
Quarter of Random Assignment	14.6	16.4	-1.8
Quarter 2	13.7	15.7	-2.1
Quarter 3	14.8	17.5	-2.6
Quarter 4	15.4	19.5	-4.1**
Quarter 5	15.0	18.7	-3.8*
Quarter 6	15.8	18.5	-2.7
Average Total Earnings, Quarters 2-6 ($)[a]	903.85	1064.25	-160.40
Average Total Earnings ($)			
Quarter of Random Assignment	117.96	113.18	+ 4.76
Quarter 2	149.70	150.92	- 1.22
Quarter 3	173.13	194.34	-21.20
Quarter 4	185.99	236.61	-50.62
Quarter 5	191.16	223.49	-32.33
Quarter 6	203.88	258.91	-55.03
Ever Received Any AFDC Payments, Quarters 1 - 7 (%)	90.8	88.7	+2.1*
Average Number of Months Receiving AFDC Payments, Quarters 1 - 7	10.47	10.31	+0.16
Ever Received Any AFDC Payments (%)			
Quarter of Random Assignment	82.6	80.2	+2.4*
Quarter 2	75.5	73.8	+1.7
Quarter 3	64.0	63.2	+0.8
Quarter 4	55.2	53.7	+1.5
Quarter 5	50.0	48.8	+0.2
Quarter 6	46.2	46.2	-0.1
Quarter 7	41.8	45.3	-3.5
Average Total AFDC Payments Received, Quarters 1 - 7 ($)	1818.03	1941.83	-23.80
Average AFDC Payments Received ($)			
Quarter of Random Assignment	251.27	254.70	- 3.43
Quarter 2	369.58	363.27	+ 6.31
Quarter 3	316.85	310.95	+ 5.90
Quarter 4	271.01	269.36	+ 1.66
Quarter 5	232.21	247.46	-15.25
Quarter 6	240.35	241.78	- 1.44
Quarter 7	236.76	254.32	-17.56
Sample Size	554	524	

(continued)

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TABLE C.1 (continued)

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance earnings records.

NOTES: The earnings and AFDC payments data include zero values for sample members not employed and for sample members not receiving welfare.   Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.   There may be some discrepancies in calculating sums and differences due to rounding.

For employment and earnings, the quarter of random assignment refers to the calendar quarter during which an individual was randomly assigned.   For AFDC payments, the quarter of random assignment refers to the three months beginning with the month in which an individual was randomly assigned.

These impacts are produced from regressions using the full AFDC sample, with separate treatment dummies for prior and new registrants.   No other treatment-subgroup interaction terms were employed.

[a] Quarter 1, the quarter of random assignment, may contain some earnings from the period prior to random assignment and is therefore excluded from the measures of total follow-up employment and earnings.

A two-tailed t-test was applied to differences between experimental and cont   grc be.   Statistical significance levels are indicated as: * = 10 percent: = , percent; *** = 1 percent.

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WEST VIRGINIA

AFDC PRIOR REGISTRANTS: IMPACTS OF THE CWEP PROGRAM
(JULY 1983 - APRIL 1984 IMPACT SAMPLE)

Outcome and Follow-Up Period	AFDC: Prior Registrants		
	Experimentals	Controls	Difference
Ever Employed, Quarters 2 - 6 (%)[a]	18.9	18.6	+0.3
Average Number of Quarters With Employment, Quarters 2 - 6[a]	0.51	0.50	+0.01
Ever Employed (%)			
Quarter of Random Assignment	5.9	6.2	-0.4
Quarter 2	7.3	7.6	-0.2
Quarter 3	9.2	8.6	+0.6
Quarter 4	10.7	10.5	+0.2
Quarter 5	11.8	11.8	-0.0
Quarter 6	12.4	11.9	+0.5
Average Total Earnings, Quarters 2-6 ($)[a]	634.20	567.64	+66.55
Average Total Earnings ($)			
Quarter of Random Assignment	49.2	56.72	- 7.40
Quarter 2	80.24	71.25	+ 8.99
Quarter 3	116.73	78.53	+38.20**
Quarter 4	132.52	121.06	+11.46
Quarter 5	150.70	152.53	- 1.83
Quarter 6	154.00	144.27	+ 9.73
Ever Received Any AFDC Payments, Quarters 1 - 7 (%)	99.2	93.9	+0.3
Average Number of Months Receiving AFDC Payments, Quarters 1 - 7	15.82	16.17	-0.35
Ever Received Any AFDC Payments (%)			
Quarter of Random Assignment	99.0	98.6	+0.4
Quarter	92.6	92.0	+0.6
Quarter	83.7	85.5	-1.8
Quarter	77.5	80.2	-2.8*
Quarter	71.9	75.2	-3.3*
Quarter	68.3	70.6	-2.3
Quarter	64.5	67.0	-2.5
Average Total AFDC Payments Received, Quarters 1 - 7 ($)	2897.65	3044.37	-46.72
Average AFDC Payments Received ($)			
Quarter of Random Assignment	535.85	530.12	+ 5.73
Quarter 2	486.61	481.24	+ 5.37
Quarter 3	449.42	454.55	- 5.13
Quarter 4	410.55	421.10	-10.55
Quarter 5	378.96	393.70	-14.74
Quarter 6	365.01	377.07	-12.06
Quarter 7	361.25	376.59	-15.34
Sample Size	1291	1310	

(continued)

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TABLE C.2 (continued)

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance earnings records.

NOTES: The earnings and AFDC payments data include zero values for sample members not employed and for sample members not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. There may be some discrepancies in calculating sums and differences due to rounding.

For employment and earnings, the quarter of random assignment refers to the calendar quarter during which an individual was randomly assigned. For AFDC payments, the quarter of random assignment refers to the three months beginning with the month in which an individual was randomly assigned.

These impacts are produced from regressions using the full AFDC sample, with separate treatment dummies for prior and new registrants. No other treatment-subgroup interaction terms were employed.

a Quarter 1, the quarter of random assignment, may contain some earnings from the period prior to random assignment and is therefore excluded from the measures of total follow-up employment and earnings.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

TABLE C.3

WEST VIRGINIA

ALL AFDC: EMPLOYMENT AND WELFARE STATUS IN THE FINAL QUARTER
OF POST RANDOM ASSIGNMENT FOLLOW-UP
(JULY 1983 - APRIL 1984 IMPACT SAMPLE)

Employment and Welfare Outcomes	All AFDC: Prior and New Registrants		
	Experimental	Control	Difference
Employment and Welfare Status (%)[a]			
Had No Earnings, Received No AFDC Payments	31.0	29.5	+1.5
Had Some Earnings, Received No AFDC Payments	8.9	8.0	+0.9
Had No Earnings, Received Some AFDC Payments	55.6	56.7	-
Had Some Earnings, Received Some AFDC Payments	3.4	4.8	-
Sample Size	1845	1834	

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance earnings records.

NOTES: These data are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. There may be some discrepencies in calculating sums and differences due to rounding.

The final quarter of post random assignment follow-up refers to quarter six for earnings and quarter seven for AFDC receipt.

[a]Monthly welfare data, which count the month of random assignment as "month one," were regrouped into calender quarters that exactly match the Unemployment Insurance earnings quarters.

A two-tailed t-test was applied to differences between experimentals and controls. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent. The differences are not, however, strictly independent.

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TABLE C.4

WEST VIRGINIA

ALL AFDC: ESTIMATED REGRESSION COEFFICIENTS FOR INDEPENDENT VARIABLES AND EMPLOYMENT
AND WELFARE OUTCOME MEASURES
(JULY 1983 - APRIL 1984 IMPACT SAMPLE)

Independent Variables	Independent Variable Mean	Ever Employed in Quarter 6	Earnings in Quarter 6	AFDC Receipt in Quarter 7	Total AFDC Payments in Quarter 7
Experimental	0.501	-0.4 (1.1)	-9.17 (18.53)	-2.8* (1.5)	-15.99* (9.54)
Prior Registrant	0.707	+0.7 (1.4)	-17.74 (24.47)	+13.3*** (2.0)	+67.16*** (12.60)
Prior Employment					
Held a Job During Four Quarters Prior to Random Assignment	0.178	+17.0*** (2.0)	+224.41*** (34.85)	-10.3*** (2.9)	-80.72*** (17.94)
Held a Job During the Quarter Prior to Random Assignment	0.096	+4.5* (2.7)	+12.64 (46.26)	-3.0 (3.8)	-4.04 (23.81)
Earned Over $3000 During Four Quarters Prior to Random Assignment	0.054	+5.7* (3.0)	+163.75*** (50.25)	+3.8 (4.2)	+27.51 (26.17)
High School Diploma or General Equivalency Diploma	0.459	+5.5*** (1.1)	+98.36*** (18.53)	-4.7*** (1.6)	-32.86*** (10.05)
Prior AFDC Dependency					
Never on AFDC[a]	0.139	—	—	—	—
On AFDC Two Years or Less	0.318	-2.0 (1.9)	-2.23 (32.22)	+0.5 (2.7)	-9.14 (16.58)
On AFDC More Than Two Years	0.543	-4.8*** (1.8)	-31.72 (32.45)	+15.1*** (2.7)	+73.02*** (16.70)
Children					
Number of Children Less Than 18 Years Old	1.897	+0.8 (1.3)	-9.45 (23.06)	+0.9 (1.8)	+41.76*** (11.87)
No Children Less Than 18 Years Old	0.008	+4.9 (7.0)	+128.26 (120.68)	+1.5 (10.1)	+51.62 (62.12)
One Child Less Than 18 Years Old[a]	0.391	—	—	—	—
Two Children Less Than 18 Years Old	0.331	-0.3 (1.8)	-5.52 (31.89)	+4.2 (2.7)	+34.01** (16.47)
Three or More Children Less Than 18 Years Old	0.272	-6.0* (3.6)	-31.09 (61.45)	+6.8 (5.1)	+71.22** (31.63)
Any Children Less Than 6 Years Old	0.108	-2.8 (2.0)	-32.28 (33.51)	+4.2 (2.8)	+36.33** (17.25)

TABLE C.5 (continued)

Independent Variables	Independent Variable Mean	Ever Employed in Quarter 6	Earnings in Quarter 6	AFDC Receipt in Quarter 7	Total AFDC Payments in Quarter 7
Marital Status					
Never Married	0.133	+0.5 (2.0)	-5.02 (34.96)	+6.6** (2.8)	+20.81 (18.01)
Married, Not Living With Spouse a	0.228	—	—	—	—
Married, Living with Spouse	0.168	-1.3 (1.8)	-17.55 (30.63)	-1.6 (2.6)	-3.71 (15.77)
Divorced or Widowed	0.471	+0.6 (1.4)	+18.59 (24.25)	+4.1** (2.0)	+11.77 (12.48)
Age					
Age 24 Years or Less	0.085	+3.1 (2.2)	+39.50 (37.80)	+0.7 (3.2)	+5.41 (18.46)
Age 25-34 Years a	0.486	—	—	—	—
Age 35-44 Years	0.328	+1.2 (1.2)	+22.70 (21.44)	-4.9*** (1.8)	-47.21*** (11.04)
Age 45 Years or More	0.102	-3.6* (1.8)	-37.75 (32.63)	-8.7*** (2.7)	-88.68*** (16.79)
Non-White	0.101	-1.0 (2.0)	-17.94 (33.51)	+5.0* (2.8)	+38.53** (17.25)
Site					
Wheeling a	0.207	—	—	—	—
Fairmont	0.101	+4.0* (2.1)	+75.20** (35.73)	-0.3 (3.1)	+22.77 (18.38)
Martinsburg	0.077	+6.7*** (2.3)	+104.84*** (39.65)	-10.8*** (3.3)	-69.35*** (20.41)
Parkersburg	0.092	+3.7* (2.3)	+94.92** (38.87)	-0.3 (3.2)	-1.65 (20.01)
Clarksburg	0.085	+4.1* (2.2)	+56.63 (38.27)	+3.7 (3.2)	+20.51 (19.70)
Grafton	0.092	-2.6 (2.3)	-34.27 (38.61)	+0.9 (3.2)	+37.2? (19.?6)
Huntington	0.155	+1.9 (1.8)	+4.78 (31.22)	-5.5** (2.6)	-30.91* (16.07)
Fayetteville	0.088	+2.5 (2.2)	+3.33 (37.74)	+4.0 (3.2)	+24.41 (19.43)
Princeton	0.113	-3.5 (2.0)	-37.76 (2?.5?)	-2.2 (2.0)	-7.76 (17.92)

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TABLE C.4 (continued)

Independent Variables	Independent Variable Mean	Ever Employed in Quarter 6	Earnings in Quarter 6	AFDC Receipt in Quarter 7	Total AFDC Payments in Quarter 7
Constant		+8.9*** (2.7)	+109.83** (46.87)	+42.2*** (3.8)	+182.12*** (24.18)
Number of Observations	*	3679	3679	3679	3679
R Square		.0974	.0702	.077	.1409
Dependent Variable Average (Standard Deviation)		13.6 (34.2)	172.99 (579.17)	.9.. ...'..	332.74 (310.15)

NOTES: Sample sizes for the AFDC groups are as follows: 1845 Experimentals and 1834 controls.

Regressions presented in this table correspond to impact estimates presented in Table 5.1.

These data include zero values for sample members not employed and for sample members not receiving welfare. Coefficients are estimated by ordinary least squares. Numbers in parentheses are estimated standard errors. Levels of statistical significance: * = 10 percent; ** = 5 percent; *** = 1 percent.

"Employment" and "AFDC Receipt" are dichotomous dummy variables. Their coefficients are multiplied by 100 to yield percentages. "Earnings" and "Total AFDC Payments" are dollar variables and include cases with zero values.

Where ambiguous, reference categories for dummy variables are shown in the table with dashes. All reference categories are (a) control group (b) new registrant (c) not employed in four quarters prior to random assignment (d) no diploma or equivalent (e) never had own AFDC case (f) one child less than 19 years old (g) married, not living with spouse (h) age 25 to 34 (i) white (j) Wheeling. Thus, for example, the coefficient of "prior registrant" is the increment to the dependent variable for the trait "prior registrant" versus "new registrant" with all other traits controlled for.

APPENDIX D

TABLE D.1

WEST VIRGINIA

AFDC: ESTIMATED NET GAIN OR LOSS PER EXPERIMENTAL UNDER ALTERNATIVE PROJECTION
ASSUMPTIONS, BY WELFARE STATUS AND PERSPECTIVE

Welfare Status	Perspective			
	Welfare Sample	Budget	Taxpayer	Society
No Post-Observation Benefits or Costs				
Full Sample	$32	-$84	$266	$298
New Registrants	-143	-113	79	-64
Prior Registrants	103	-72	345	448
No Decay of Benefits				
Full Sample	-124	-163	743	616
New Registrants	-504	-138	404	-200
Prior Registrants		-186	873	946

SOURCE: See Table 6.7.

NOTES: Within each perspective, positive numbers indicate gains to that group and negative numbers indicate losses.

Results are expressed in 1984 dollars. The full sample includes 2138 experimentals and 1044 controls (1285 new registrants, 1897 prior registrants).

WEST VIRGINIA

AFDC: ESTIMATED NET[a] PROGRAM COSTS PER EXPERIMENTAL, BY WELFARE STATUS

Type of Cost	Observed Costs[b]	Estimated Costs From End of Observation Period Through Five Years From Random Assignment[c]	Total
New Registrants			
Program Operating Costs			
Compliance Activities	$1	--[d]	$1
Intake/Assessment	-3	--[d]	-3
CWEP	17	51	68
Job Placement and Other Activities	-7	5	-2
CWEP Stipends	34	19	53
Child Care	58	--[d]	59
Other Support Services Costs	2	--[d]	2
Total Net Costs for New Registrants	$103	$75	$178
Prior Registrants			
Program Operating Costs			
Compliance Activities	1	--[d]	1
Intake/Assessment	-3	--[d]	-3
CWEP	61	91	152
Job Placement and Other Activities	-12	-7	-19
CWEP Stipends	71	37	108
Child Care	58	--[d]	..
Other Support Services Costs	3	--[d]	
Total Net Costs for Prior Registrants	$180	$121	$301

SOURCE: See Table 6.6.

NOTES: The results are based on a sample of 1845 experimentals and 1834 controls, and are expressed in 1984 dollars. The differences in CWEP stipends are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Because of rounding, detail may not sum to totals.

(continued)

TABLE D.2 (continued)

[a] The net cost or benefit is the value of that cost or benefit per experimental minus the value per control.

[b] The observation period for the full sample ended in January 1986 for CWEP stipends and May 1986 for child care; all other costs were observed through December 1984.

[c] Additional enrollment information was collected for a random sample of 146 experimentals and controls still enrolled in December 1984. This information was used to estimate costs for all experimentals and controls through five years from random assignment.

[d] These costs were not estimated beyond the observation period.

APPENDIX E

TABLE E.1

WEST VIRGINIA

SELECTED CHARACTERISTICS OF THE AFDC-U SAMPLE AT THE TIME OF SAMPLE ENTRY,
BY RESEARCH GROUP AND REGISTRATION STATUS
(MARCH 1983 - APRIL 1984 SAMPLE)

Characteristics	Saturation		Comparison	
	Prior Registrant	New Registrant	Prior Registrant	New Registrant
Sex (%)				
Male	93.5	82.7	93.5	92.3
Female	6.5	7.3	6.5	7.7
Average Age (Years)	30.9	30.7	31.8	31.0***
Average Highest Grade Completed	10.1	10.5***	10.0	10.6***
Ethnicity (%)				
White, Non-Hispanic	85.0	85.9	97.8	97.4
Black, Non-Hispanic	4.7	3.9	2.0	2.4
Other	0.4	0.2[c]	0.2	0.2[c]
Marital Status (%)				
Married	97.3	96.6	97.8	95.1***
Never Married	1.6	1.7	0.5	2.5***
Divorced, Widowed	1.1	1.7	1.7	2.4
Average Number of Months on AFDC in 24 Months Prior to Sample Entry	10.5	2.4***	12.1	2.7***
Held Job at Any Time During Four Quarters Prior to Sample Entry (%)[a]	33.5	43.2***	31.2	46.3***
Average Earnings During Four Quarters Prior to Sample Entry ($)[a]	751.40	1574.06***	738.15	1669.39***
Sample Size[b]	1139	1659	1207	1625

SOURCE: Calculations from MDRC Client Information Sheets and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Distributions may not add to 100.0 percent because of roundings.

[a] Calculated from Unemployment Insurance earnings records from the State of West Virginia. Since many individuals worked out-of-state or in jobs not covered by the UI system, earnings data from the West Virginia Unemployment Insurance System is considered to underreport the income of sample members.

[b] For selected characteristics, sample sizes may vary up to 1 sample point due to missing data.

[c] Chi-square test inappropriate due to low expected cell-frequencies.

Differences between registration statuses are statistically significant using a two-tailed t-test or chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

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APPENDIX F

TABLE F.1

WEST VIRGINIA

RECEIPT OF NON-CWEP SERVICES BY THE AFDC-U SAMPLE,
BY REGISTRATION STATUS AND RESEARCH GROUP
(MARCH 1983 - APRIL 1984 SAMPLE)

Services	Prior Registrants		New Registrants		Total	
	Saturation	Comparison	Saturation	Comparison	Saturation	Comparison
Participated in Any Non-CWEP Service[a]	1.1	5.9***	1.8	6.3***	1.5	6.1***
Individual Job Search	0.1	1.7***	0.0	2.9***	0.0	2.4***
On-the-Job Training	0.3	0.3	0.2	0.3	0.2	0.3
Suspense to Training Status	0.6	3.3***	0.9	1.8**	0.8	2.5***
Institutional Training	0.0	0.7***	0.2	0.6*	0.1	0.7
JTPA Training	0.0	0.1	0.1	0.7**	0.1	0.4**
Sample Size	1139	1207	1659	1625	2798	2832

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: Participation is defined as attending any activity for at least one day.

Individuals entering the sample in April 1984 have between 8 and 9 months of tracking date follow-up, depending on whether they entered the sample in the earlier or later part of April. For the process analysis, these sample members are considered to have 8 months of follow-up.

[a]Distributions may not sum to total because individuals can participate in more than one non-CWEP service.

Differences between research groups are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

WEST VIRGINIA

KEY PERFORMANCE INDICATORS OF THE AFDC-U SAMPLE
WITHIN NINE MONTHS AFTER SAMPLE ENTRY, BY ADMINISTRATIVE AREA
(MARCH 1983 - APRIL 1984 SAMPLE)

Performance Indicator	Saturation				Comparison			
	Huntington	Martinsburg	Parkersburg	Princeton	Clarksburg	Fairmont	Fayette-ville	Grafton
Participated in CWEP	59.0	50.8	69.7	60.7	37.7	41.8	47.7	33.5***
Participated in other activity	0.7	1.7	1.0	2.5	9.0	5.8	6.2	3.4***
Job Placement[a]	36.0	47.9	38.3	24.1	22.8	28.7	33.3	23.9***
Deregistered	74.2	87.5	74.3	65.1	69.7	84.4	70.0	57.4***
Sanctioned	8.5	8.6	3.0	6.0	4.1	4.4	1.7	1.1***
Sample Size	848	409	525	1016	679	675	833	645

SOURCE: MDRC calculations from the West Virginia WIN Information System.

NOTES: All performance indicators are calculated as a percentage of the total number of individuals in the indicated administrative area.

Participation is defined as attending any activity for at least one day.

Individuals entering the sample in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they entered the sample in the earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

[a]Program placement information is based on employment that is reported to program staff. Program placement data will not be used to measure impacts.

Differences among administrative areas are statistically significant using a chi-square test at the following levels: * = 10 percent; ** = 5 percent; *** = 1 percent.

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TABLE F.3

WEST VIRGINIA

DISTRIBUTION OF AFDC-U SAMPLE MEMBERS BY PROGRAM,
WELFARE, AND EMPLOYMENT STATUS IN THE NINTH MONTH AFTER SAMPLE ENTRY
(MARCH 1983- APRIL 1984 SAMPLE)

PRIOR REGISTRANTS

Status	Saturation		Comparison		Total	
	Partici-pant	Non-Par-ticipant	Partici-pant	Non-Par-ticipant	Satura-tion	Compari-son
On Welfare						
Deregistered						
Employed	1.3	1.2	0.5	1.0	2.5	1.5
Not Employed	3.1	2.1	1.7	2.8	5.2	4.6
Registered						
Employed	5.8	1.2	3.4	3.2	7.0	6.6
Not Employed	34.7	3.4	31.6	19.1	38.1	50.7
Off Welfare (Deregistered)						
Employed	16.9	12.3	7.5	13.3	29.1	20.8
Not Employed	9.6	8.4	7.1	8.7	18.0	15.8
Total	71.3	28.7	51.8	48.2	100.0	100.0
Total Number of Prior Registrants	812	327	625	582	1138	1207

NEW REGISTRANTS

Status	Saturation		Comparison		Total	
	Partici-pant	Non-Par-ticipant	Partici-pant	Non-Par-ticipant	Satura-tion	Compari-son
On Welfare						
Deregistered						
Employed	1.6	1.8	0.7	2.0	3.2	2.6
Not Employed	2.3	4.9	1.2	7.1	7.1	8.2
Registered						
Employed	4.4	2.5	3.7	4.6	6.9	8.2
Not Employed	22.5	4.1	17.5	14.6	26.6	32.2
Off Welfare (Deregistered)						
Employed	14.6	21.5	6.4	24.7	36.1	31.1
Not Employed	7.5	12.7	2.9	14.6	20.1	17.5
Total	52.9	47.1	32.4	67.6	100.0	100.0
Total Number of New Registrants	878	781	526	1099	1659	1625

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TABLE F.3 (continued)

ALL AFDC-U

Status	Saturation		Comparison		Total	
	Partici-pant	Non-Par-ticipant	Partici-pant	Non-Par-ticipant	Satura-tion	Compari-son
On Welfare						
Deregistered						
Employed	1.5	1.5	0.6	1.8	2.9	2.2
Not Employed	2.6	3.7	1.4	5.3	6.3	6.7
Registered						
Employed	5.0	2.0	3.6	4.0	6.8	7.6
Not Employed	27.5	3.8	23.5	16.6	31.3	40.1
Off Welfare (Deregistered)						
Employed	15.5	17.7	6.9	19.9	33.3	26.7
Not Employed	8.3	10.9	4.7	12.1	19.3	16.8
Total	60.4	39.6	40.6	59.4	100.0	100.0
Total Number of AFDC-U Registrants	1690	1108	1151	1681	2798	2832

SOURCE: Calculations from the West Virginia WIN Information System and Unemployment Insurance earnings and welfare records from the State of West Virginia.

NOTES: Participation is defined as attending CWEP for at least one day.

Deregistration is defined as deregistered in the ninth month after sample entry.

Employed is defined as being placed into employment by the ninth month after sample entry, according to program records, or having UI earnings during a corresponding quarter. For individuals who entered the sample during April, July or October 1983, January or April 1984, UI-reported employment is examined during quarter 3 (the second follow-up quarter). For the rest of the sample, UI-recorded employment is examined during quarter 4. This procedure was followed because the ninth month following sample entry falls within the third quarter for the first group and during the fourth quarter for the rest of the sample.

Individuals entering the sample in April 1984 have between 8 and 9 months of tracking data follow-up, depending on whether they entered the sample in e earlier or later part of April. For the process analysis, these sample members are considered to have 9 months of follow-up.

Tests of statistical significance between participants and non-participants were not examined.

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APPENDIX G

TABLE G.1

WEST VIRGINIA .

ALL AFDC-U: EMPLOYMENT AND WELFARE STATUS
IN THE FINAL QUARTER OF POST SAMPLE ENTRY FOLLOW-UP
(MARCH 1983 - APRIL 1984 IMPACT SAMPLE)

Employment and Welfare Outcomes	ALL AFDC-U: Prior and New Registrants		
	Saturation	Comparison	Difference
Employment and Welfare Status (%)[e]			
Had No Earnings, Received No AFDC Payments	33.0	25.9	+7.1***
Had Some Earnings, Received No AFDC Payments	21.6	21.8	-0.2
Had No Earnings, Received Some AFDC Payments	40.5	46.6	-6.1***
Had Some Earnings, Received Some AFDC Payments	4.9	5.7	-0.8
Sample Size	2798	2832	

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance earnings records.

NOTES: These data are regression-adjusted using ordinary least squares, controlling for pre-sample entry characteristics of sample members and prior-quarter local area unemployment rates.   There may be some discrepancies in calculating sums and differences due to rounding.

The final quarter of post sample entry follow-up refers to quarter six for employment and quarter seven for AFDC receipt.

[e] Monthly welfare data, which count the month of sample entry as "month one," were regrouped into calendar quarters that exactly match the Unemployment Insurance earnings quarters.

A two-tailed t-test was applied to differences between saturation and comparison groups.   Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.   The differences are not, however, strictly independent.

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ALL AFDC-U: ESTIMATED REGRESSION COEFFICIENTS FOR INDEPENDENT VARIABLES AND SELECTED EMPLOYMENT AND WELFARE OUTCOME MEASURES (MARCH 1983 - APRIL 1984 IMPACT SAMPLE)

Independent Variables	Independent Variable Mean	Ever Employed in Quarter 6	Earnings in Quarter 6	AFDC Receipt in Quarter 7	Total AFDC Payments in Quarter 7
Saturation Area	0.497	-1.1 (1.2)	-102.18*** (39.46)	-6.9*** (1.3)	-55.37*** (8.91)
Area Unemployment Rate in Quarter Prior to Sample Entry	0.176	-3.8 (11.7)	799.39** (386.54)	+23.9* (12.8)	+62.77 (87.27)
Prior Registrant	0.417	+1.3 (1.5)	+81.25* (48.49)	+2.2 (1.6)	-14.09 (10.95)
Prior Employment					
Held a Job During Four Quarters Prior to Sample Entry	0.395	+7.2*** (1.5)	+172.05*** (50.03)	+2.7 (1.7)	+ 5.18 (11.30)
Held a Job During the Quarter Prior to Sample Entry	0.132	+11.7*** (1.9)	+250.22*** (62.16)	-8.2*** (2.1)	-55.51*** (14.03)
Prior UI Benefits					
Received UI Benefits In the Six Months Prior to Sample Entry	0.263	+4.4** (2.0)	+16.61 (67.41)	+6.1*** (2.2)	+35.78** (15.22)
Amount of UI Benefits Received in the Six Months Prior to Sample Entry (in thousands)	0.603	+2.4*** (0.7)	+182.07*** (23.20)	-0.6 (0.8)	-1.51 (5.24)
Prior AFDC Dependency					
On AFDC in 18 Months Prior to Sample Entry	0.500	-0.8 (1.8)	-157.47*** (58.12)	+5.0*** (1.9)	+11.37 (13.12)
Total Amount of AFDC Received in the 18 Months Prior to Sample Entry (in thousands)	0.884	-2.1*** (0.7)	-55.04** (23.57)	+8.7*** (0.8)	+66.70*** (5.32)
Children					
Number of Children Less Than 18 Years Old	2.11	-0.8 (1.1)	-13.39 (35.81)	-0.1 (1.2)	+6.17 (8.08)
No Children Less Than 18 Years Old	0.021	+8.5* (4.4)	+126.21 (145.75)	-23.2*** (4.8)	-103.77*** (32.91)
One Child Less Than 18 Years Old[a]	0.339	—	—	—	—
Two Children Less Than 18 Years Old	0.337	+1.9 (1.8)	+136.37** (60.05)	+0.8 (2.0)	+32.41** (13.56)
Three or More Children Less Than 18 Years Old	0.303	+2.1 (3.2)	+93.01 (106.01)	+0.9 (3.5)	+58.52** (23.93)
Any Children Less Than 6 Years Old	0.685	-2.7* (1.5)	-97.97* (51.09)	+6.4*** (1.7)	+50.53*** (11.54)

(continued)

TABLE G.2 (continued)

Independent Variables	Independent Variable Mean	Ever Employed in Quarter 6	Earnings in Quarter 6	AFDC Receipt in Quarter 7	Total AFDC Payments in Quarter 7
Non-White	0.034	-0.7 (3.2)	-106.55 (105.67)	+6.0* (3.5)	+56.19** (23.86)
Age					
Age 24 Years or Less	0.271	-2.1 (1.5)	-127.53** (50.48)	+4.7*** (1.7)	+19.91* (11.40)
Age 25-34 Years[a]	0.444	---	---	---	---
Age 35-44 Years	0.210	-1.8 (1.7)	+22.38 (55.82)	+2.3 (1.8)	+10.17 (12.60)
Age 45 Years or More	0.075	-10.3*** (2.5)	-338.79*** (82.08)	+1.5 (2.7)	-2.83 (18.53)
Average Highest Grade Completed	10.34	+1.4*** (0.3)	+47.05*** (9.77)	-2.6*** (0.3)	-20.84*** (2.21)
Female	0.071	-0.8 (2.3)	-275.32*** (75.81)	+2.4 (2.5)	+31.35* (17.14)
Constant		+12.2*** (4.6)	+24.08 (152.38)	+56.7*** (5.0)	+391.88*** (34.40)
Number of Observations		5630	5630	5630	5630
R Square		.0651	.0812	.1155	.1330
Dependent Variable Average (Standard Deviation)		27.1 (44.4)	638.79 (1481.93)	48.9 (50.0)	304.73 (344.42)

SOURCE: MDRC calculations from State of West Virginia welfare and Unemployment Insurance earnings records.

NOTES: Sample sizes for the AFDC-U groups are as follows: 2798 in the Saturation area and 2832 in the Comparison area.

Regressions presented in this table correspond to estimates presented in Table 9.2.

These data include zero values for sample members not employed and for sample members not receiving welfare. Coefficients are estimated by ordinary least squares. Numbers in parentheses are estimated standard errors. Levels of statistical significance: * = 10 percent; ** = 5 percent; *** = 1 percent.

"Employment" and "AFDC Receipt" are dichotomous dummy variables. Their coefficients are multiplied by 100 to yield percentages. "Earnings" and "Total AFDC Payments" are dollar variables and include cases with zero values.

a
Where ambiguous, reference categories for dummy variables are shown in the table with dashes. All reference categories are (a) comparison area (b) new registrant (c) not employed in four quarters prior to sample entry (d) did not receive UI benefits in six months prior to sample entry (e) not on AFDC in 18 months prior to sample entry (f) one child less than 19 (g) white (h) age 25 to 34 (i) male. Thus, for example, the coefficient of "saturation area" is the increment to the dependent variable for the trait "saturation area" versus "comparison area" with all other traits controlled for.

FOOTNOTES

CHAPTER 1

1. AFDC recipients are judged WIN-mandatory unless they meet one
   of a number of conditions which will exempt them from the
   program. As described in the WIN Handbook, individuals who
   are not WIN-mandatory are those who are:

   1. under 16 years old
   2. enrolled full-time in school and under 21 years
   3. sick, as determined by the income maintenance unit
   4. incapacitated, as determined by the income maintenance unit
   5. 65 years old or older
   6. living in a remote area: located two hours or more away
      from a WIN office
   7. a caretaker of a sick person
   8. a mother of a child under six years of age.

2. The evaluation of the West Virginia CWEP program is part of
   MDRC's Demonstration of State Work/Welfare Initiatives, which
   examines the implementation, impact and cost-effectiveness of
   several major AFDC employment programs operated by a number of
   states in response to the 1981 OBRA legislation. In addition
   to West Virginia, studies are underway or completed in
   Arkansas, California, Illinois, Maine, Maryland, New Jersey
   and Virginia. A separate implementation study on six states'
   on-the-job training programs, partly financed by grant
   diversion, has also been completed, as well as a management
   study of Arizona's initiative for the welfare population.

3. This proportion is based on statistics published by the West
   Virginia Department of Human Services for the month of June
   1983.

4. The first West Virginia report contains a detailed discussion
   of the history of linking public work jobs with AFDC. See
   Ball et al., 1984, pp. 6-18 and 43-54.

5. Interestingly, one impetus for extending CWEP to women came
   from some of the AFDC mothers, who wanted the experience that
   a CWEP job could provide. The CWEP jobs could have been
   appealing for several reasons, including the flexible job
   hours, which would not intrude on the women's routines or
   create child-care problems. Some women may have also seen the
   $25 monthly transportation stipend for CWEP participants as
   "extra income." This would not be an unreasonable view in a

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state where, during the study period, the maximum AFDC grant for a mother and two children was $206.

6. In two areas, administrators continued to prefer suspending CWEP assignments during the summer in spite of the availability of child-care monies. In another area, summer assignments were suspended because of problems in finding a sufficient number of child-care providers. In the remaining areas, use of the child-care monies increased but the total was still small.

7. West Virginia Department of Welfare, "Public Employment Program," grant application submitted to the Social Security Administration, U.S. Department of Health and Human Services, in July 1981.

8. The State of West Virginia applies a ceiling to monthly grants regardless of family size. The ceiling also increased dramatically from $254 to $275 in October 1983 and to $477 in July 1985.

9. The opinions of prior or current Department or state staffs were ascertained through interviews conducted during the study period. The interviews, and the information derived from them, are discussed in detail in Ball et al., 1984.

10. See Ball et al., 1984, p. 65.

11. For a more detailed discussion of these interviews, consult Ball et al., 1984.

CHAPTER 2

1. The 35-week average is similar to the number of months that the average CWEP participant in West Virginia had been working in an assignment, according to the Department analysis conducted in June 1984; for all persons participating in CWEP during the month, the average tenure was 8.7 months, or 38 weeks.

2. See Walther, 1976; Ball et al., 1980; and Dement, 1982.

3. See Goldman et al., 1984, on San Diego; and Quint, 1984, on Maryland.

4. See Bradburn, 1983; Sheatsley, 1983; and Schuman and Presser, 1981.

5. It should be noted, however, that since higher proportions of both men and women indicated satisfaction with the simple

work-for-benefits questions than with the concept of leaving their families to work for a grant, the overall finding that work requirements are fair may be affected by question wording, subtle differences in the meaning of different questions, and some response (or "agreement") bias.

6. See Ball et al., 1980.

CHAPTER 3

1. Bane and Ellwood, 1983.

2. Two-tailed tests were applied to experimental/control differences because no assumption was made about the direction of program impacts.

3. See Footnote 1 of Chapter 1.

4. A 30-day appraisal cycle applies to all WIN-mandatory clients who are ready for placement into a CWEP job; clients with some barriers to placement (e.g. child care) are evaluated in a 90-day cycle; and everyone else (those with significant barriers to placement) are subject to a 180-day cycle.

5. Approximately 5 percent of the members of the total research sample (14 percent of the new registrants) registered with WIN and were randomly assigned but did not receive a grant payment within six months of random assignment. Most of these individuals were probably not approved for welfare.

6. Some individuals, randomly assigned while members of an AFDC case, became part of an AFDC-U case at some point during the follow-up period. Six percent of the AFDCs in the research sample were members of an AFDC-U case within 12 months of random assignment. For research purposes, these individuals were included in the AFDC sample throughout the study period.

7. The non-research group consisted of individuals in full-time school or training (27 percent); males (22 percent); 16- or 17-year-olds on their parents' AFDC cases (20 percent); individuals employed part-time (15 percent); WIN volunteers (13 percent); registrants employed full-time (4 percent); pregnant women (4 percent); and individuals from remote offices (less than 1 percent).

8. All the sample members in the evaluation of CWEP for the AFDC caseload were women. Any men in the AFDC caseload were put in the non-research group.

9. The reliance on administrative records to measure outcomes in

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employment, earnings, welfare and Unemployment Insurance compensation offers many advantages as well as some limitations. Since administrative records do not require ongoing contact with sample members, they are a less expensive way to collect data, and result in fewer missing observations in the later follow-up periods. Administrative records also do not depend on the ability of individuals to recall precise but important information, such as dates, earnings or the length of enrollment in program activities. However, administrative records are limited in the types of outcomes they measure. Drawbacks in quality and completeness of the data for West Virginia are discussed in Section IV.B of this chapter, on administrative records.

10. Fifteen people (less than one-half of 1 percent of the sample), were missing specific CIS data needed in the impact or benefit-cost analysis. For the impacts, benefits and costs, these missing CIS data were imputed according to the following procedure. Subgroups of the research sample were formed using data that were available for every member of the research sample: AFDC grant status (new or prior registrant), and prior work history (ever employed or never employed during the year prior to random assignment). For each subgroup, the researchers ascertained the answers most frequently given to each of the questions on the CIS for which data were missing and substituted these modal values for the missing data. This procedure was used for all members of the research sample who lacked CIS data. However, any case missing Social Security number, random assignment date, or data on prior employment, ethnicity or prior AFDC dependency was excluded from the sample. Therefore, the regression equations for the impact and benefit-cost analyses both use a sample of 3,679. The process analysis did not impute values for missing data. Only when a case was missing a Social Security number or the date of random assignment was it deleted from the process analysis. Consequently, the sample size in this analysis is 3,694.

11. The recorded payment amounts included supplemental payments given to CWEP participants for their transportation costs. In order to compare AFDC grants of participants to nonparticipants in the analysis of program impacts, these supplemental payments were subtracted from the total grant amount for participants and the adjusted grant payment was used in the analysis. These supplemental payments were, however, included in the costs in the benefit-cost analysis.

12. Automated state check systems are not generally intended to record all payments actually made to welfare recipients. It was therefore necessary to determine whether the research data were sufficiently complete to estimate program impacts. The test of the quality of the AFDC payments data drawn for

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research purposes from the state computerized system thus compared the amount of the grant in the system with grant calculations in selected case files. The case files selected were those with the greatest likelihood of containing many discrepancies in the amount of the grant reported in the two sources: cases of recipients who received both AFDC payments and earnings in a given period. Cases of recipients who have been employed in the past or become employed are subject to more changes than others (such as the case opening or closing or recalculation of the grant). For each recipient, data were reviewed for several case-months. (A case-month is defined as any month when an individual either received welfare or was in the process of having a case opened, closed or suspended.) The number of case months per client varied from 1 to 18. In all, 1,298 case-months were checked for discrepancies between the two sources of the AFDC grant. The level of discrepancies could be measured, but no conclusions could be drawn about which measure of payment was more accurate.

Twenty-two percent of all case-months contained discrepancies of at least $5 between the two payment records. These discrepancies were attributable to 115 out of the 142 individuals sampled; for 39 percent of the 115 individuals, discrepancies were found in only one case-month.

As noted, AFDC payments research data from West Virginia appear less accurate than such data from other states in MDRC's Demonstration of State Work/Welfare Initiatives. Six percent of the comparable case-months were found to contain discrepancies in Maryland, 13 percent in California and 11 percent in Virginia.

The data check also yielded the following information:

o The average values of grant payments were $143.50 from the state AFDC payments system and $157.07 from the case file calculations. Although there was no significant difference between the occurrence of discrepancies in experimental and control groups, there was a significant difference between the average dollar amounts of the discrepancies.

o Over half the non-rounding discrepancies occurred when the case file had a payment and the state records did not. Twelve percent of discrepancies were payments found on the state records but not on the case file records. The remaining 34 percent were positive payments from both sources, but in differing amounts.

o For AFDCs and AFDC-Us combined, forty-one percent of the discrepancies occurred during a month when the case status was changing: 31 percent occurred during a case approval

month, and 10 percent during a case suspension or closure. The remaining discrepancies (over half) may have resulted from check cancellations or lags in automated check writing.

13. First, employment data reported by the West Virginia Unemployment Insurance system was compared with employment prior to random assignment reported by the registrant on the CIS. Forty-two percent of the 164 clients who stated that they had a job for more than 18 months in the two years prior to random assignment did not have UI-reported earnings in the year prior to random assignment. Second, job placement according to the WIS tracking data was compared with UI-reported earnings. In the six months following random assignment, 77 clients in the research sample were employed according to WIS. Thirty-five percent of these cases did not have earnings during the corresponding quarters according to the Unemployment Insurance records.

14. The measure of underestimation of employment derived by comparing employment prior to random assignment reported on the CIS with lack of UI earnings data is consistent across research groups within three percentage points (43 percent of controls, 40 percent of experimentals). The percent of WIS placements without UI earnings data varied across research groups by only four percentage points (37 percent of the 35 controls compared to 33 percent of the 42 experimentals). Neither of the control-experimental comparisons was statistically significant.

CHAPTER 4

1. These monthly participation rates do not include people assigned to the control group or people who were eligible for CWEP but were placed in the non-research group for reasons including participation in training programs and remote residence. (For other reasons for placement in the non-research group, see Chapter 3.)

2. Chapter 1 indicated that registrants in the non-research group in each of the nine AFDC study areas were eligible for CWEP. The CWEP participation rate for the non-research group -- which consisted primarily of individuals in school or in training, male heads-of-households, 16- and 17-year-olds, individuals employed part-time and volunteers -- was 5.3 percent, much lower than the CWEP participation rate observed for the women in the experimental group.

3. On the other hand, as discussed in Chapter 3, employment rates based on Unemployment Insurance records understate true employ-

ment rates to the extent that jobs which are out of state and otherwise not covered by the UI system will not be recorded in the UI system.

4. As noted in an earlier section, new registrants were much more likely than prior registrants to be deregistered from the program. Thus, by the ninth month after random assignment, a smaller proportion of new registrants (43 percent), as compared to prior registrants (71 percent), were still registered with the program.

5. Both the 31 to 33-month calculation and the five-year projection are based on the participation patterns of experimentals randomly assigned from July through September 1983, for whom the longest follow-up data were available. The five-year estimate is a composite of data from the WIS program tracking system which recorded: 1) the number of days of CWEP participation from random assignment through December 1984 for the early cohort; 2) the number of days of CWEP participation from January 1985 to April 1986 for the sample of 146 AFDCs who were still registered with WIN as of December 1984; and 3) the projected number of days individuals were likely to participate in CWEP from May 1986 through five years after the date of random assignment, based on the data described in items 1 and 2. The 31 to 33-month calculation is based on the first two data sources noted above. Calculations are based on the number of days in CWEP for all individuals in the early cohort who participated in CWEP within 15 months of random assignment, regardless of whether these people remained on the welfare rolls for several months or several years after random assignment.

CHAPTER 5

1. Fifteen people (less than one half of 1 percent of the sample) were missing specific CIS data needed in the impact and benefit-cost analyses. For information on the way in which values for missing CIS data were imputed and the criteria for excluding from the research sample cases that were missing data, see Footnote 10 of Chapter 3.

2. Mandatory work programs can have important effects on some nonparticipants, who may be induced to find jobs or leave welfare in order to avoid the CWEP participation requirement. In order to separate impacts on nonparticipants from impacts on participants, it would be necessary to determine which members of the control group would have participated in CWEP had the component been available to them. Such a task is difficult and subject to serious questions about reliability, since so many unmeasured factors -- among them motivation and

transitory situational circumstances -- combine to promote or inhibit participation. Rather than attempt such a task, the analysis adopts the more rigorous approach of combining participants and nonparticipants. Impacts should therefore be interpreted as the average change in employment or welfare receipt _per experimental_ rather than _per participant_.

3. Regression-adjusted impact estimates are, in this case, more efficient than unadjusted estimates. The efficiency of the estimates is a measure of the variance, or statistical uncertainty, surrounding the estimates. The use of more efficient estimators makes it less likely that true program effects will go undetected. Using ordinary least squares to estimate experimental-control differences, the regression model was run on the full AFDC sample for all tables in this chapter. Regressions for the subgroup analyses, including the new registrant/prior registrant analysis, used interactive dummy variables, entering one subgroup dimension at a time, rather than all simultaneously.

4. MDRC conducted a special study of the relationship between earnings and welfare benefits for working recipients for the Congressional Research Service. This case study was conducted in four states, and in West Virginia included the areas of Huntington, Princeton, Fairmont and Clarksburg. The study drew from the impact samples from MDRC's Work/Welfare Demonstration. Subsamples were drawn of persons who had both earnings and welfare receipt during follow-up. The results indicated that approximately 2 percent of the study sample in West Virginia recorded both welfare payments and earnings within the same month. This compared to 14 percent for the San Diego research sample, 9 percent of the study sample in Virginia, and 8 percent of the study sample in Maryland. For a detailed discussion of the methodology and findings, see Goldman et al., 1985.

5. These average yearly statewide unemployment rates are drawn from the Labor and Economic Research Section Local Area Unemployment statistics for the years 1982 to 1985. The fact that in 1983, West Virginia had the highest unemployment rate in the nation is reported in Appendix V of the _Statistical Abstract of the United States: 1985_. See U.S. Department of Commerce, 198ν.

6. Ball et al., 1984, pp. 106-109.

7. The decline in incidence of AFDC receipt of 2.8 percentage points constitutes a 4.6 percent reduction. The similarity in the last quarter between the percent reduction in welfare incidence and the percent reduction in payments provides evidence that almost all the reduction is due to case closures

rather than lower average payments to individuals still receiving some welfare. A comparable result was found in Arkansas, which, like West Virginia, has a relatively low standard of need.

8. For the MDRC study described in Footnote 4, a pilot sample of 75 cases was reviewed in West Virginia. Of these cases, 53 percent had benefits that were reduced in at least one month due to the recovery of prior over-payments.

9. Appendix Table C.3 lends some support to speculation that a few individuals may have left welfare rather than jeopardize jobs that they would have had to give up to participate in CWEP. In this table, four employment/welfare status categories were examined. In order to organize the data so that for every sample member, quarter 6 of earnings preceded every month of welfare payments in quarter 7, welfare data were regrouped so that quarters of welfare and UI earnings matched exactly; for example, quarter 6 of welfare was matched to quarter 6 of UI earnings. The table shows that fewer experimentals than controls received welfare in quarter 7 after earnings were officially reported in quarter 6, and more experimentals than controls did not receive welfare in quarter 7 who were officially listed as having earnings in quarter 6. However, since the percentage of experimentals who did not receive welfare payments in quarter 7 and did not have earnings the previous quarter was also slightly higher than the percentage of controls in this status, the proportion off welfare in quarter 7 may be accounted for by welfare turnover that is not associated with officially reported earnings.

10. In some of the demonstration areas, particularly Parkersburg, registrants were called in for reappraisal as the demonstration began, thereby shortening the usual 12-month reappraisal cycle. Thus, in some cases, people who may have left the welfare rolls before the usual reappraisal time were placed in the research sample -- although if appraised in the regular cycle, they would not have been included in the research sample since they would not have been listed on the rolls.

11. The sources for these data include:

o U.S. Department of Commerce, Bureau of the Census. 1983. General Social and Economic Characteristics, West Virginia, 1980. Washington, D.C.: Government Printing Office. Table 56: Summary of Social Characteristics; and Table 178: Industry of Employed Persons for Counties.

o U.S. Department of Commerce, Bureau of the Census. 1984. Statistical Abstract of the United States: 1985.

Washington, D.C.: Government Printing Office. Table 5: Population and Land Area; Table 25: Urban and Rural Population; and Table 698: Employment by Industry.

o Governor's Office of Economic and Community Development, Office of Health Services Research. 1983. _1980 Income, Education and Labor Force Characteristics of West Virignia_. West Virginia: State Library Commission. p.7.

12. See Riccio et al., 1986.

CHAPTER 6

1. Several of these benefit-cost evaluations are especially noteworthy because they are of programs that served AFDC recipients. See the evaluation of the National Supported Work Demonstration by Kemper et al., 1981; the evaluation of the Employment Opportunity Pilot Project by Long et al., 1983; and more recently, MDRC evaluations of work/welfare programs in San Diego (Goldman et al., 1986); Baltimore (Friedlander et al., 1985a), Arkansas (Friedlander et al., 1985b); and Virginia (Riccio et al., 1986).

2. Long and Knox, 1985.

3. These experimental-control differences were regression-adjusted using the same multivariate regression model used in the impact analysis.

4. Social demand is reflected by cost estimates only if the estimated market costs reflect both the marginal costs and marginal benefits of the resources. This need not be the case, however, because of market imperfections, the inability of government to accurately interpret social demand for public goods, and other factors. See Kemper and Long, 1981.

5. Regular workers' average wage rate and fringe benefits were estimated by supervisors who participated in the worksite survey. See Kemper and Long, 1981, and Long and Knox, 1985, for information about the technical aspects of estimating the value of in-program output.

6. Basing the value of output on the wages and fringe benefits of alternative workers assumes that the compensation employers pay does in fact represent the employees' contributions to output.

7. The average number of hours worked per assignment day was estimated using worksite survey data. The experimental-control difference in average days assigned was calculated

using data from the WIN Information system. Assignment days include not only work days but weekends and other days when CWEP participants may not have been working in CWEP assignments between the first day a person participated in CWEP and the last day of participation.

8. This random sample of 146 was drawn from the 1,008 AFDC registrants who were randomly assigned from July to September 1983 and were still enrolled in the program in December 1984 (the last month of automated tracking data available for the full sample). This group of 1,008 registrants excluded a few individuals who never entered a "job ready" or an active status during the observation period. People who had never entered these categories by December 1984 were assumed to remain inactive afterwards. For the sample of 146 AFDC enrollees, data were collected on days assigned to CWEP, days enrolled in the program, and program deregistration from January 1985 through April 1986.

9. Days assigned to CWEP and days enrolled in the program after December 1984 were estimated and added to days observed to cover a five-year period from random assignment for experimentals and controls in the full research sample. First, to extend follow-up data to 15 months from random assignment for later sample members, data on all the July to September 1983 AFDC enrollees were used. (For the portion of the 15-month period for which later enrollees lacked data, days enrolled were imputed based on the number of days early sample members were enrolled over that portion of time.) For the period from December 1984 to 15 months, the estimated number of enrollment days averaged six for the full sample. Second, data collected for the period from 15 to 33 months from random assignment for the sample of 146 early enrollees were used to estimate the average number of days that the full sample was in CWEP during the period from 15 to 33 months from random assignment (37 days). These data from the sample of 146 early enrollees were also used to estimate the number of CWEP days for the period from 33 months to five years from random assignment (28 days). These figures together resulted in CWEP enrollment days for the post-observation period (71 days).

10. This estimate of the value of post-observation output may be understated for two reasons. First, additional days were only measured for those people who were in CWEP as of December 1984, although some people entered CWEP after December 1984. According to the special enrollment study, approximately 15 percent of AFDC experimentals and 15 percent of AFDC controls who were still registered in December 1984 entered CWEP at some point between January 1985 and April 1986. This includes people who were not in CWEP in December 1984 but entered at a later date as well as people who were in CWEP in December

1984, left CWEP and re-entered at some point before April
1986. (Underestimation of the number of post-observation CWEP
days will also result in some underestimation of the
post-observation cost of CWEP, discussed later in this
chapter.)

The experimental-control difference in post-observation CWEP
days was multiplied by the average hours worked per assignment
day, estimated from the worksite survey. The average number
of hours used may lead to an underestimation of hours worked
after December 1984 since the hours worked per assignment
month increased for many participants after July 1985, due to
an increase in the AFDC payment standard.

11. Most agency supervisors and managers interviewed as part of
the worksite survey indicated that the work performed by the
CWEP participants was important to the day-to-day activities
of their agencies. Indeed, a substantial number indicated
that the work had been done regularly until recent budget cuts
had forced agencies to reduce the staff. For a detailed
discussion of the relationship between supply-price estimates
and the demand for output such as CWEP produces, see Kemper
and Long, 1981. Given the discussion in Kemper and Long and
the results of the worksite survey, the average demand price
for the output is probably below the estimated supply price,
but not necessarily substantially less. See Long and Knox
1985, for additional details.

12. The worksite survey indicates that supervisors judged that
employees would not have been hired to do any of the work done
by CWEP participants. This finding supports the view that
there was minimal short-term displacement. However, given the
long history of work experience programs in West Virginia, it
is possible that fewer public employees may have been hired
for lower level jobs than would have been employed in the
absence of such programs. In any case, reliable estimates of
long-term displacement caused by CWEP would be very difficult
to make. See Long and Knox, 1985, for additional discussion
of displacement.

13. Using microsimulation techniques, Smeedling estimated the
value of fringe benefits as 17.9 percent of wages and salaries
for workers earning less than $10,000 in 1979. See Smeedling,
1981.

14. Tax liability was imputed on the basis of tax rates and regula-
tions summarized in The U.S. Master Tax Guides, 1983 and the
State Tax Guide, as well as average consumption data for
low-income households from the U.S. Bureau of the Census.

15. The estimation procedure mirrors the Food Stamp benefit

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calculation rules that apply for eligible households. First, countable income was estimated as the sum of earnings, welfare, and UI, minus the earnings disregard (18 percent of earnings) and medical and child-care deductions (estimated using Medicaid and child-care cost data). Second, the benefits for which households were eligible were calculated as the maximum payment level minus the "expected food contribution," which was computed based on the countable income.

16. Until October 1984, eligibility for Medicaid was limited to four months after leaving the AFDC rolls -- if the reason for leaving was employment. Subsequent regulations required states to provide nine months of Medicaid to former AFDC recipients who lost their AFDC eligibility due to the termination of the earnings disregard. For the benefit-cost evaluation of CWEP, the estimated program effects on Medicaid were based on the four-month limit. The analysis could not accurately determine the proportion of experimentals and controls who lost their AFDC eligibility due to the termination of the earnings disregard, although it is probable that more people were eligible for the four-month extension than the nine-month extension.

17. Data on average Medicaid payments to public assistance recipients were obtained from the West Virginia Department of Human Services monthly _Statistical Bulletin_, January to December 1984.

18. AFDC, Medicaid and Food Stamp administrative cost data for fiscal year 1984 were obtained from the Department of Human Services in West Virginia. Administrative cost data for UI benefits were obtained from the _Budget of the U.S. Government, Appendix: Fiscal Year 1983_, 1984. For Medicaid, Food Stamps and UI, data were not available to permit estimation of administrative costs in relation to the length of time spent on the caseload.

19. This estimate was made by Mary Jo Bane and David Ellwood using longitudinal data on AFDC families; see Bane and Ellwood, 1983.

20. For example, see the evaluation of the National Supported Work Demonstration (Masters and Maynard, 1981) and the evaluation of a WIN job search program in Louisville, Kentucky (Wolfhagen, 1983).

21. See Ketron, Inc. 1980.

22. The present discounted value of extrapolated future benefits was estimated by multiplying the base period estimate by a

single extrapolation factor that takes into account the other three elements -- the time horizon, decay rate and discount rate. For a specification and discussion of the factor, see Kemper, et al., 1981.

23. The choice of a discount rate has been a source of continuing debate both in government and in the economics literature; see, for example, Hanke and Anwyll, 1980. While there is no "correct" rate, 5 percent is within the range of rates usually used in benefit-cost analyses.

24. ROSA is an ongoing staff time study used by the West Virginia Department of Human Services to assess staff time spent on specific program functions. All direct-line staff in the department fill out a ROSA time sheet on one randomly selected day per month. MDRC calculations of staff time spent on program functions were based on four months--the middle month of each quarter from the third quarter of 1983 to the second quarter of 1984.

25. The ROSA system identified time spent on these four program activities by all Work and Training and Title XX staff members working on CWEP. This information was used to estimate the total staff time spent on each of these program categories for experimentals and controls from July 1983 to June 1984. Information on staff salaries, fringe benefits, and overhead was used to provide an estimate of the one-year aggregate cost for each category. (Costs associated with the demonstration research, not ongoing operations, were excluded from the estimation of operating costs. Approximately 6 percent of all intake and assessment costs as well as 20 percent of all administrative overhead were estimated to be research-related.) WIS program tracking data provided information on enrollment days needed to estimate the unit costs of CWEP, job placement and other activities.

26. Table 6.1 shows the CWEP enrollment days for each of these periods.

27. Participants in active components were eligible for a $25 one-time payment at the discretion of caseworkers as well as $20 bi-monthly payments. Program registrants could receive up to $60 for obtaining employment. The few people who entered on-the-job training received wage subsidies.

28. CWEP stipends for the post-observation period were estimated using the average cost of CWEP stipends per CWEP enrollment day. This average cost per CWEP enrollment day was estimated using data gathered through the December 1984 cut-off for enrollment data. This unit cost per day was assumed to apply through five years from random assignment, although the policy

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for reimbursement of transportation costs changed as of
·October 31, 1985. After that date, the transportation reim-
bursement depended on the distance an individual travelled to
work.

29. Individual-level data was not available for Title XX child
care. The number of CWEP participants who received Title XX
child care through May 1986 was estimated through staff
interviews. The unit cost per family receiving Title XX day
care per month was obtained from the West Virginia Department
of Human Services monthly _Statistical Bulletin_, January to
December 1984.

30. This period includes some costs for members of the AFDC group
who registered after April 1984 but were not included in
MDRC's automated tracking data. Thus, the unit cost per
active participant may be slightly overstated. In addition,
some individuals in "job ready" or other inactive statuses
received small amounts of support payments that were not
included in this estimate.

31. Out-of-pocket expenses were estimated for CWEP participants
using the worksite survey estimate of expenses per week in
CWEP. This estimate was multiplied by the experimental-
control difference in CWEP weeks through the end of the
five-year time horizon. The use of the worksite survey
enabled researchers to record out-of-pocket expenses that were
not necessarily reported by participants to program staff.
State policy prohibited placement of participants into CWEP
positions where out of pocket expenses may have occurred.

CHAPTER 7

1. As indicated later in this chapter, almost all of the members
of the AFDC-U group (93 percent) were men.

2. These factors were: population, percent of population on
AFDC-U, population density, level of poverty, employment and
unemployment rates, employment rate trends, and employment
rates in mining, manufacturing, and government. All factors
were given equal weight.

3. Two-tailed tests were applied to saturation-comparison
differences because no assumption was made about the direction
of program impacts.

4. Registrants whose date of registration was more than 60 days
prior to the date that they first appeared in the WIN
Information system for these eight areas were judged to have
moved into one of the areas selected for the evaluation.

5. Approximately 9 percent of the new registrants registered with WIN but did not receive a grant payment within six months of sample entry. These registrants were probably not approved for welfare.

6. These registrants entered the sample on the first day of the month in which they appeared in that area's program activity record (i.e. in the WIN Information system).

7. A man on an AFDC-U case that became an AFDC case remained in the AFDC-U category for research purposes since all men on AFDC cases were excluded from the AFDC analysis. In contrast, a woman who was a member of a case that changed from the AFDC-U to the AFDC assistance category during the period of random assignment to experimental and control AFDC research groups -- July 1983 to April 1984 -- was considered part of the AFDC research group. However, a woman who changed from the AFDC-U to the AFDC assistance category at another point -- and therefore would not be randomly assigned to the control or experimental groups -- remained in the AFDC-U category for research purposes. Twelve percent of the individuals in the AFDC-U sample were members of an AFDC case within 12 months of sample entry.

8. In cases with more than one WIN registrant, the following rules were used. If a person had participated in CWEP previously, that person was selected as the CWEP-eligible registrant because WIN staff had designated that person as CWEP-eligible. If no one had participated in CWEP, the oldest male registrant was selected, unless he was 16 or 17 years old, and then the oldest female registrant was selected.

9. The reliance on administrative records to measure outcomes in employment, earnings, welfare and Unemployment Insurance compensation offers many advantages as well as some limitations. Since administrative records do not require ongoing contact with sample members, they are a less expensive way to collect data, and result in fewer missing observations in the follow-up period. Administrative records also do not depend on the ability of individuals to recall precise but important information, such as dates, earnings or the length of enrollment in program activities. However, administrative records are limited in the types of outcomes they measure and, as explained in this chapter, have other drawbacks in quality and completeness.

10. Client Information Sheets were not administered to the AFDC-Us.

11. The actual recorded payment amounts included supplemental

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payments given to CWEP participants for their transportation costs. In the research analysis, these supplemental payments were subtracted from the total grant amount to give the base grant payment. Therefore, the grant amounts of participants were not artificially higher than those of nonparticipants and could be compared in the analysis of program impacts. These supplemental payments were, however, included in the costs used in the benefit-cost analysis.

12. Discrepancies of at least $5 between the two sources were found in 30 percent of the 964 case-months checked. These discrepancies were attributable to 103 out of the 131 individuals sampled; for 30 percent of these individuals, discrepancies were found in only one case-month. The number of case-months per client varied from 1 to 22.

13. Several other aspects of this data check are relevant:

o The average value of the grant payments was $158.10 in the research data drawn from the state welfare payments system and $189.92 from the case file calculations. There was no significant difference between the average dollar amounts of the discrepancies in saturation and comparison areas.

o Over half of the non-rounding discrepancies occurred when the case file listed a payment and the state records did not. Six percent of the discrepancies were payments found in the state records but not in the case file records. The remaining 37 percent were positive payments from both sources, but in differing amounts.

o For AFDCs and AFDC-Us combined, forty-one percent of the discrepancies occurred during a month when the case status was changing: 31 percent occurred during a case approval month, and 10 percent during a case suspension or closure. The remaining discrepancies (over half) may have resulted from check cancellations or lags in automated check writing.

14. For this limited sample, the percent of WIS placements without UI earnings data varied across research groups by 9 percentage points (40 percent of the 471 individuals in the saturation sample and 31 percent of the 365 individuals in the comparison sample).

15. To investigate further, a case file review was conducted for 49 AFDC-Us in Martinsburg, Clarksburg, Huntington, Fayetteville and Princeton who were placed, according to WIS data, without corresponding earnings appearing on the West Virginia UI file. The review indicated that 29 percent of these individuals were working outside of West Virginia. Another 35

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percent were working in the construction industry. The remaining individuals were working in a variety of industries and situations, e.g. logging, agriculture, sub-minimum wage jobs and self-employed positions.

16. Given the extent of off-the-book and out-of-state earnings in the sample, one may wonder why placement data are not used to estimate program effects. There are several reasons for this. First, since placement data only reflect employment known to caseworkers, they grossly underestimate all employment. For registrants entering the sample in the last month of a calendar quarter, 44 percent of the 612 sample members who had earnings reported to the West Virginia UI system within two quarters of registration had no evidence of placements in program tracking records covering a comparable period. Second, placement data are likely to be more complete for individuals who have more contact with their caseworkers. In the AFDC-U demonstration, probably more registrants reported employment to their caseworkers in the saturation areas since most employment would interfere with CWEP assignments.

CHAPTER 8

1. Note that the statistics presented in this chapter, unlike those described in Chapters 9 and 10, are not regression-adjusted to statistically control for the demographic and labor market differences among the eight areas studied.

2. For further discussion of these rates, see the first West Virginia report (Ball et al., 1984). These rates were calculated from information in the West Virginia WIN Information system and Department of Human Services statistics.

3. This review investigated caseworkers' records of those not assigned to a CWEP job at the time that the review was conducted. Although a recipient was often not participating in CWEP for several reasons, the research sought to determine the primary factor. See Ball et al., 1984, pp. 73-76 and pp. 88-89 for further discussion of reasons for nonparticipation among the AFDC-U caseload.

4. Individuals participating in vocational or subsidized on-the-job training and clients employed 80 to 100 hours per month were exempted. (Clients working more than 100 hours are ineligible for AFDC-U.)

5. Area offices used different criteria to determine whether transportation would be a problem for a participant within the broad central office guideline that worksites should be no

more than one hour away from the participant's home. A Department of Human Services analysis of the 4,500 CWEP participants statewide during the month of June 1984 showed that the average participant worked nine days and traveled 80 miles a month round-trip to his worksite.

6. Deregistration for AFDC-Us usually implies that the individual is no longer receiving welfare.

7. The two areas with the highest sanctioning rates for the AFDC-Us also have the highest sanctioning rates among the areas included in the evaluation for AFDCs. This implies that the differences in sanctioning rates among the areas may be tied more to area orientations and practices than to higher saturation goals.

8. For many of the registrants, particularly the new registrants, the chance of being assigned to CWEP declined because they were off welfare within six months of sample entry. As shown in Table 8.2, 73 percent of the saturation area registrants and 66 percent of the comparison area registrants had been deregistered by the ninth month after sample entry.

9. The number of required work hours at CWEP sites was determined by dividing the recipient's grant by the minimum wage. The maximum welfare grant level in West Virginia from October 1983 through July 1985 -- $275 -- set an 82-hour per month CWEP obligation ceiling.

10. Both the calculations for 34 to 37 months and the estimates for five years are based on the participation patterns observed for experimentals who entered the sample through June 1983, for whom the follow-up period was longest. The figures reflect participation for individuals in this early cohort who participated in CWEP within 18 months of random assignment. The five-year estimate is a composite of data from three sources:

   o the number of days of CWEP participation recorded in the WIS program tracking system from sample entry through December 1984 for the early cohort;

   o the number of days of CWEP participation recorded in the WIS system from January 1985 to April 1986 for the sample of 144 AFDC-Us who were still registered with WIN as of December 1984; and

   o the projected number of days individuals were likely to participate in CWEP from May 1986 through five years after sample entry, based on the WIS data on participation described above.

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The 34 to 37 month average is based on the first two data sources noted above. All calculations are based on the number of days in CWEP for all individuals in the early cohort who participated in CWEP within 18 months of sample entry, regardless of whether an individual remained on the welfare rolls for several months or for several years after entering the sample.

CHAPTER 9

1. In the San Diego Job Search and Work Experience Demonstration, essentially no gain in employment was found for AFDC-Us. In contrast, statistically significant decreases in welfare payments of 14 and 18 percent did occur in the last quarter of follow-up for the Job Search/CWEP group and the Job Search only group, respectively. See Chapter 4 of Goldman et al., 1986. At the same time, observation of a small sample of AFDC-Us enrolled in Baltimore's Options Program ruled out the possibility of large employment gains or welfare savings there. See Chapter 5 of Friedlander et al., 1985a.

2. Saturation-comparison differences in all cases were adjusted using multivariate regression techniques. These techniques were applied to control for differences in demographic characteristics and local unemployment rates in the period prior to the research. Some of these rates are presented in Table 9.1. The methodology, however, was not totally successful in controlling for all of the non-program differences in labor markets. Evidence of this comes from the fact that in the regression equation using post-registration earnings as the dependent variable, earnings increased as the unemployment rate also increased, despite the expected negative relationship usually found between the two. Other factors not in the equation must therefore have played a role in determining the kind of worker who entered the welfare system and the quality of job available.

3. Saturation and comparison areas thought to share several similar characteristics were paired at the start of the demonstration. It was hoped that in this way the saturation-comparison area differences would reflect the actual incremental impact of CWEP rather than the non-program variation between areas. Table 9.1 displays unemployment rates by area pair: seven of the eight pairs reveal a higher unemployment rate in the comparison area. This clearly indicates that within each pair, there were differences in labor market conditions. Thus, the optimal mode of analysis under the original matched pair design -- namely, estimating the saturation-comparison differences for each pair and then averaging them together to

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produce an overall saturation-comparison difference -- could not be pursued.

When this strategy was first tested, however, several labor market variables were examined to determine how much of the difference within the original pairs they could explain. These variables, created from aggregated monthly county data, included area unemployment rates in the first quarter prior to sample entry, quarterly unemployment rates, changes in quarterly unemployment rates, and percent changes in area employment. These variables, however, were not able to sufficiently control for labor market differences. Thus, the original analytic strategy was revised. The final solution was to analyze the saturation areas, using the area unemployment rate in the quarter prior to sample entry as an additional control variable in the equation. It cannot be determined, however, whether this additional variable corrected for some or all of the labor market differences between the saturation and comparison areas.

4. In general, even under an experimental design, earnings impacts are considered somewhat less precise than other outcome measures: employment, welfare incidence and payments. This is because, even with accurate earnings data, the dollar difference between people who earn a lot and people who earn a little is typically large. This normal variation reduces the precision of earnings impacts.

5. Uncovered jobs are those in which an employer is not required to report employees' earnings to the Unemployment Insurance system. The principal uncovered jobs are usually agricultural and domestic work.

6. A special study was conducted to find out what type of out-of-state jobs AFDC-Us had during the demonstration. Footnote 15 of Chapter 7 discusses this study and its results in more detail. The results of that study led to a strong suspicion that cross-state commutation to work, under the AFDC-U design, caused an underestimation of program impact.

CHAPTER 10

1. The saturation-comparison difference of 57 days reflects not only the higher participation rate of saturation area registrants, but also a higher average number of days spent in CWEP by saturation area participants than by comparison area participants.

2. The special study of post-observation enrollment collected data for a random sample of 144 of the 1,289 AFDC-U regis-

trants who entered the research sample between March and June 1983 and were still enrolled in December 1984.

3. The post-observation value of output for the AFDC-U group may be underestimated for the same reasons described in footnote 10, Chapter 6 for the AFDC group. The special enrollment study estimated that 22 percent of the comparison area enrollees and 19 percent of saturation area enrollees who were still registered in December 1984 entered CWEP at some time between January 1985 and April 1986. As for the AFDC group, this estimate includes both people who were not in CWEP in December 1984 and people who were in CWEP in December 1984, left CWEP and re-entered CWEP by April 1986.

4. Estimates of the level of displacement for the saturation and comparison areas differed somewhat: 7 percent and 1 percent displacement, respectively.

5. The only exception is that, for each cost component, one unit cost was estimated for all AFDC-U individuals, which was then multiplied by a saturation-comparison difference in behavior to estimate the saturation-comparison difference in average cost. For the AFDC group, each unit cost was estimated separately for experimentals and controls and multiplied separately by a behavioral variable, such as average program enrollment days for experimentals. The resulting average cost for controls was then subtracted from that for experimentals, to calculate the experimental-control difference.

6. See Chapter 2.

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