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Research Brief on ETI Welfare Evaluation and Impact Studies

John Pawasarat

University of Wisconsin - Milwaukee, pawasara@uwm.edu

Lois M. Quinn

University of Wisconsin - Milwaukee, lquinn@uwm.edu

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Research Brief on ETI Welfare Evaluation and Impact Studies

University of Wisconsin-Milwaukee Employment and Training Institute, 2016

The University of Wisconsin-Milwaukee Employment and Training Institute conducted evaluation of major Wisconsin welfare experiments for the state Legislature and worked with local governments and schools in Milwaukee County (from 1990 to 2009) to help assess the impact of state and federal welfare policies on families receiving public assistance. **The ETI research on welfare policies and programs are archived in the University of Wisconsin-Milwaukee Digital Commons collection at http://dc.uwm.edu/eti_pubs/.**

Welfare Evaluations for the Wisconsin Legislature

The Employment and Training Institute was selected by the State of Wisconsin to evaluate two major welfare experiments initiated in the late 1980s. These experiments included:

1. A Community Work Experience Program (CWEP) to test the effectiveness of mandatory workfare programs and a comprehensive Work Experience and Job Training program (WEJT) including remedial education, job search, subsidized employment, job training, day care and supportive services, following by mandatory work.
2. A Learnfare policy which reduced AFDC grants for families of teenagers not attending school regularly.

The welfare employment program evaluation utilized experimental and quasi-experimental designs to measure changes in family earnings and AFDC caseloads in 31 Wisconsin counties initiating new programs. The Learnfare evaluation utilized school attendance records on over 50,000 teenagers to measure the impact of Learnfare in six school districts, including Milwaukee.

Wisconsin Welfare Employment Experiments: An Evaluation of the WEJT and CWEP Programs (1993)

The ETI evaluation measured the overall impact of state-designed programs on Wisconsin's AFDC caseload and separately assessed the impact of county WEJT (Work Experience and Job Training) and CWEP (Community Work Experience Program) initiatives operational in 1987 and 1988, according to the research design approved by the state and presented to the Legislature in December 1989. Econometric models were used to analyze the effect of the statewide impact of the waiver experiments and expanded welfare employment programs. Analysis of Wisconsin AFDC caseloads from 1984 through 1990 showed that AFDC caseloads began declining due to the improving economy well before the welfare policy changes went into effect in most counties. (Unemployment rates dropped from 8.9 percent in February 1986 to 3.4 percent in September 1988.) While the analysis showed a reduction in AFDC cases as a result of the state's 6% cut in AFDC benefits in 1987, the data did not show reductions in state AFDC caseloads resulting from the new welfare employment programs or from the federal waiver experiments.

Executive Summary

Chapter 1: History of Wisconsin Welfare Employment Programs

Chapter 2: Welfare Reform Initiatives Under Governor Thompson

Chapter 3: State Implementation of the WEJT Pilot

Chapter 4: Expenditures for WEJT, CWEP and Jobs Programs

Chapter 5: Description of Work Experience and Job Training Programs

Chapter 6: Description of Community Work Experience Programs

Chapter 7: Comparison of the Job Service WIN/WEOP Model with County WEJT/CWEP Programs

Chapter 8: Description of County Work Supplementation Programs

Chapter 9: The County Welfare Worker's Role in Implementing Programs

Chapter 10: Evaluation Research Methodology

Chapter 11: Findings from the Rock County Experiment

Chapter 12: Regression Analysis for WEJT/CWEP Counties

Chapter 13: Racine County's Volunteer Experiment

Chapter 14: Time Series Analysis of Statewide Welfare Reform Impacts

Chapter 15: Analysis of MA Extension and 1/6 Income Disregard Experiments

Chapter 16: Analysis of Reported Waiver Savings Attributable to the "Wisconsin Welfare Reform Demonstration"

Evaluation of the Impact of the Wisconsin Learnfare Experiment on the School Attendance of Teenagers Receiving AFDC (1992)

In July 1987 the State of Wisconsin enacted legislation implementing a Learnfare policy for families receiving Aid to Families with Dependent Children (AFDC). As a condition for receiving AFDC for each teen, the law required that teenagers attend school regularly until high school completion. The families of teens who failed to enroll in school or who had absences beyond the established limits were denied AFDC income assistance for these youth. Teen parents failing to meet the Learnfare school requirements were denied AFDC benefits for themselves, although they received some income support for their children.

Using lagged regression models which controlled for differences in age, grade level, sex, race, and months on AFDC, ETI evaluators compared the school attendance of AFDC teens under the Learnfare policy to school attendance of former AFDC teens and teens receiving AFDC prior to the Learnfare experiment. In all six school districts the models used did not show improvement in student attendance which could be attributed to the Learnfare requirement. Similarly, the regression models used did not show any impact of the Learnfare requirement on reducing semester absences among eighth grade Learnfare students in Milwaukee or School A, where middle school records were available.

Interim Report to the Wisconsin Legislature on the WEJT/CWEP Evaluation

This report included tabulations by county for the entire 1987 and 1988 Wisconsin population receiving AFDC and the entire population in WEJT and CWEP programs. The tables include a complete history of

all reported earnings data for eight quarters beginning with the first quarter of 1988 for all participants. Most 1987 recipients who left AFDC and had earnings in the Fourth Quarter of 1989 do not appear to have been in any welfare employment program in 1987, 1988 or 1989. This is similar to the experience in other states, where much of the AFDC population finds employment regardless of participation in welfare employment programs. There is little overall difference in AFDC reduction or earnings between WEJT/CWEP participants and those not in the program. This is consistent with evaluation findings in other states where programs show only modest program impact. Final analysis will need to control for differences between WEJT/CWEP program participants and non-participants.

Report to the Wisconsin Legislature on the Learnfare Evaluation (1991)

This report summarized the progress of the ETI evaluation of the Learnfare experiment denying AFDC public assistance for dependent teens and teen parents not regularly attending school unless high school graduates or exempt from the policy.

The Impact of Learnfare on Milwaukee County Social Service Clients (1990)

This study examined the Milwaukee County social service and Children's Court records of all Milwaukee County youth and their families that were denied AFDC income support for teens failing to show regular school attendance. Of the 6,612 county teens penalized from September 1988 through December 1989, 1,327 (20%) were in families identified by social services or the court system as having possible or documented problems with child abuse or neglect (for the sanctioned teen or another child in the family). Another 1,394 sanctioned teens (21%) were in the Children's Court system either as Children in Need of Protective Services or for delinquency. The teens in these troubled families accounted for \$1.5 million of the \$3.3 million in "savings" resulting from reduced AFDC payments to county families over the sixteen month period.

Graphs of Caseload Trends and Unemployment Rates: 1986-1998

The Employment and Training Institute has prepared graphs of AFDC/W-2 caseloads and unemployment rates by County for the period from July 1986 through December 1998 when Wisconsin implemented its welfare reform initiatives. The graphs show the monthly unemployment rates and AFDC (and "W-2" TANF support) caseloads for each of Wisconsin's 72 counties.

The Employment and Training Institute evaluations of Wisconsin welfare reform efforts showed the strong impact of a rapidly improving labor market, which accounted for most of the caseload reduction during the 1986-1991 period. Additional months of data are presented for the period 1991-1998, but statistical testing has not been conducted for this most recent period.

State and Federal Welfare Policies Impacting Milwaukee Families

ETI policy papers analyzed critical issues for integrating Milwaukee County welfare populations into the labor force and profiled the employment needs of working families with incomes below poverty and the welfare population expected to work in this urban county.

Tracking the Progress of Welfare Reform Quickly: A Model for Measuring Neighborhood Health and Change, a discussion paper prepared for The Brookings Institution (2001)

Research on the progress of welfare reform commonly relies on multi-year state and national evaluations and surveys, leaving city officials and practitioners hungry for data on the immediate impacts of welfare changes on their inner-city neighborhoods. This study described the Milwaukee neighborhood indicators project, an effort directed by the Employment and Training Institute, which helped fill this information gap. Using a variety of geographically specific data sources from state, county, and city agencies, the project provided a more timely set of economic indicators for the city of Milwaukee and its neighborhoods than do other sources. The indicators allowed local officials to measure the impact of welfare reform and worker benefit policies on families, to identify continuing employment barriers for inner-city residents, and to craft policies that help these families attain economic self-sufficiency. The research model described in this paper can be replicated in cities across the country.

Analysis of Food Stamp and Medical Assistance Caseload Reductions in Milwaukee County: 1995-1999 (2000)

This study was prepared for Milwaukee County to examine the changes in public assistance caseloads in the county for food stamps, medical assistance and AFDC cases. Published monthly caseload data and client caseload records for selected months were used to track caseload declines and to help explain how caseloads have changed for both families and individuals since December 1995.

Graphs of AFDC and "W-2" Caseloads and Unemployment Rates in 72 Wisconsin Counties: 1986-1998 (1999)

The Employment and Training Institute prepared graphs of AFDC (Aid to Families with Dependent Children) and "W-2" ("Wisconsin Works," the replacement family income support program using federal Temporary Assistance for Needy Families funds) caseloads along with unemployment rates by county for the period from July 1986 through December 1998 when Wisconsin implemented its welfare reform initiatives. The graphs showed the monthly unemployment rates and AFDC (and "W-2" TANF support) caseloads for each of Wisconsin's 72 counties. The ETI evaluations of Wisconsin welfare reform efforts during the period from 1987-1991 showed the strong impact of a rapidly improving labor market, which accounted for most of the caseload reduction during the 1986-1991 period. Additional months of AFDC and unemployment data were presented for the period 1991-1998, but statistical testing has not been conducted for this most recent period

Employment and Earnings of Milwaukee County Single Parent AFDC Families: Establishing Benchmarks for Measuring Employment Outcomes Under "W-2" (1997)

This report tracked the earnings and employment experience for the 25,125 single parents receiving AFDC in Milwaukee County in December 1995 who were expected to work under the "W-2" new state welfare regulations. The Wisconsin Department of Workforce Development matched the quarterly wage files from Wisconsin employers (January 1996 through March 1997) with the AFDC population in Milwaukee County. ETI then analyzed employment patterns, jobs held and earnings for each single parent in the study population. State DWD employer records showed employment and earnings for 18,126 of the 25,125 parents at some time from January 1996 through March 1997. In all 42,120 jobs were held by employed parents during the five quarters examined. Earnings were tracked for all single parents remaining on AFDC and also for parents leaving AFDC. These employment outcomes offer a first look at the experience of AFDC recipients and provide baseline data on the characteristics of the AFDC population leaving public assistance prior to implementation of "W-2." The study introduced a methodology for providing timely data on "W-2" outcomes using measures of employment and earnings

The Employer Perspective: Jobs Held by the Milwaukee County AFDC Single Parent Population (1997)

The Employment and Training Institute examined data files of welfare records of single parents receiving AFDC as matched against quarterly wage reports submitted by Wisconsin employers to the state (from January 1996 through March 1997). All 42,120 jobs held by single parent case heads in the study population were tracked over five quarters to identify job retention and employment patterns over time. Employment was heavily concentrated in the retail and service sectors which made up 80 percent of employment episodes and 67 percent of all company hiring (among non-temp agencies). Jobs were concentrated in eating and drinking establishments, nursing homes, department stores, building maintenance, and grocery stores. These types of establishments typically show large numbers of job openings, high turnover, and heavy reliance upon part-time workers.

Project Get Started: Phase II Report (1997)

This project conducted by Milwaukee Area Technical College provided an in-depth analysis of the new populations of mothers (with children ages three to twelve months of age) that Wisconsin was edrequiring to secure and hold employment as a condition of their receipt of public assistance under Wisconsin welfare policies eliminating AFDC. In all, 1,551 mothers participated in the assessment program. The three to four hour orientation and assessment process included a group session which detailed the upcoming changes in "W-2" (Wisconsin's new system), child support policies, rights and responsibilities, followed by reading and math tests and in-depth interviews by project staff. Employment plans for each caretaker included an assessment of the employability of the individual using a classification system developed by project staff in cooperation with the Private Industry Council. These assessments represented one of the most comprehensive studies available on the population of mothers with young children who are expected to enter the labor force under many new state welfare

initiatives. The recommendations and demographic analysis were based on the information obtained during the assessment process and the observations of MATC project staff.

Initial Findings on Mobility and Employment of Public Assistance Recipients in Milwaukee County and Factors Relating to Changes in W-2 Regions Over Time (1997)

At the request of the Private Industry Council of Milwaukee County, the Employment and Training Institute examined computerized caseload data of Milwaukee County Aid to Families with Dependent Children, Food Stamps and Medical Assistance cases in December 1995 and September 1996. The analyses in this report was limited to families with dependent children and expected to work under “W-2,” the state's new welfare requirement. Caseload changes were examined for each of six “W-2” regions created by the State of Wisconsin to administer welfare programs in Milwaukee County. Use of December 1995 and September 1996 caseload data allowed comparisons of mobility and aid status by “W-2” region and provided some initial measure of case closures, recidivism and new cases entering the system. More than one-third of the AFDC cases changed their home address between December 1995 and September 1996, and 21 percent changed “W-2” regions. Most employed AFDC recipients were working close to their residence. The distance to work for the AFDC-employed population reporting earnings and specifying the employer averaged 4.3 miles.

Child Care Needs of Low-Income Employed Parents in Milwaukee County Under W-2 (1996)

This report assessed the use and availability of child care in mid-1996 and estimated potential demand for child care under “W-2.” The analysis focused on Milwaukee County and examined the challenges facing local agencies and community organizations as they seek to provide adequate child care for parents entering the labor force, expanding their work hours, or participating in mandatory community service activities. To provide an analysis of current child care openings and capacity, the Employment and Training Institute conducted a survey of all regulated day care providers in Milwaukee County central city neighborhoods and a sample survey of the certified child care providers currently active with the Milwaukee County Department of Human Services. The Institute analyzed current usage in subsidized child care programs using data on all Milwaukee County child care payments for the month of February 1996 and all child care deductions taken for Milwaukee County children receiving AFDC or food stamps. Estimates of the current and potential demand for child care under W-2 were constructed using a database of all children and families on public assistance in Milwaukee County and U.S. Census data on employed low-income families in Milwaukee County not receiving public assistance.

Financial Impact of W-2 and Related Welfare Reform Initiatives on Milwaukee County AFDC Cases (1996)

Many of Wisconsin’s current and proposed welfare policy changes impacting AFDC were based on a simple caseload reduction model which combined a very strict work requirement with AFDC benefit reductions with the goals of reducing AFDC costs, caseloads, and new applications for assistance and slowing in-migration to Wisconsin. This paper attempted to assess the impact of these policies on families in Milwaukee County who were currently receiving AFDC and to estimate the residual

population who will likely be subject to the “W-2” Wisconsin welfare regulations. The December 1995 Milwaukee County caseload data were used to examine the characteristics of the population and to assess the financial impact of regulatory and policy changes over time. At the time of the study state officials were requiring Milwaukee County to significantly reduce this year's AFDC caseloads by 20 percent as of September 1, 1996. Only if the county achieved these cuts would it be allowed to be the presumptive deliverer of services under “W-2.” Under the state policies children of disabled parents were removed from AFDC and W-2 and their benefits cut by 60 percent, saving \$10 million annually. Relative foster care families were removed from AFDC and W-2 and most cases expected to experience benefit reductions saving the state \$1 million annually. Imposing stricter financial sanctions for refusal to participate in work or child support programs was expected to reduce the county caseloads by at least 5,000 to 6,000 cases in the next year. The cap on assistance payments regardless of family size was expected to effectively reduce benefits by as much as half to the largest families.

Demographics of Milwaukee County Populations Expected to Work Under Proposed Welfare Initiatives (1995)

The Employment and Training Institute was asked to provide a detailed demographic analysis of Milwaukee County cases on public assistance and the working poor to assist policy makers in discussions of current welfare reform proposals (referred to as “W-2”). An estimated 30,448 out of 37,415 AFDC cases in Milwaukee County would be expected to work under the state's proposed welfare policy changes while 6,967 cases would be exempt because the casehead was on SSI or caring for another relative's children. Much of the AFDC population was currently employed or had recent labor market attachment. Based on historical and recent caseload data, it was estimated that one-third of the monthly AFDC caseload would remain employed or increase their earnings on their own and would not seek out “W-2” minimum wage subsidized employment. These were mainly families with older children and caseheads who were better educated and had demonstrated work skills. They were the population least likely to benefit from intervention. As much as one-third of the current caseload had no recent labor market experience and represented a high-risk, high-cost difficult-to-employ population. These caseheads were usually younger, less educated, and had more children. Child care was a serious impediment for these families with most cases having at least one child under two years of age. These cases were also likely to have difficulty complying with stringent welfare work program requirements.

Integrating Milwaukee County AFDC Recipients into the Local Labor Market (November 1995)

This report examined the availability of jobs for mothers receiving AFDC and expected to find family-sustaining employment in the private sector under “W-2,” Wisconsin's new welfare program. Despite the fact that many full and part-time jobs exist in Waukesha, Ozaukee and Washington counties, few women in the “W-2” population were likely to secure employment outside Milwaukee County. Census data for the Milwaukee County population of women ages 18-39 indicated that only 5 percent of African American and Hispanic women (and 11 percent of white women) found work outside the county. Availability of transportation was a problem as only a third of parents on public aid report having a car in their household, according to census data. Even fewer active AFDC cases in Milwaukee

County (13 percent) reported cars in their household. The effective labor market was further limited to lower paid entry-level positions due to the lack of education and labor market experience for much of the "W-2" population. These jobs were least likely to provide fringe benefits or to pay wages at levels necessary to sustain a family above poverty. For mothers with young children and not currently expected to work, the effective labor market would be even further constrained' by the availability of child care

Concentration of Children in Poverty in Milwaukee County Neighborhoods (November 1995)

The Employment and Training Institute was asked to provide a detailed demographic analysis of the population on public assistance and the working poor not receiving public assistance in Milwaukee County. Computerized records of families and individuals receiving Aid to Families with Dependent Children (AFDC), food stamps and medical assistance in 1990, 1993 and 1994 were used to construct a picture of Milwaukee County children on public assistance. The Milwaukee County "working poor" population, including families both on and off public assistance, was examined using 1993 income tax data especially generated by the Wisconsin Department of Revenue, detailing the earnings of single parents and married couples. These data were compared to 1990 U.S. census data for Milwaukee County, while recognizing that the significant census undercount in central city Milwaukee may exaggerate the level of AFDC concentration in some neighborhoods. According to 1993 Wisconsin Department of Revenue income tax returns, working poor families, that is, families with adjusted gross income below the poverty level, are located throughout Milwaukee County. However, in two central city Milwaukee zipcode areas (53205 and 53233) over half of all working families had income below the poverty level. In four additional zipcode areas (53204, 53206, 53208 and 53212) over 40 percent of working families had income below poverty.

The Labor Market Experience of Young African American Men from Low-Income Families in Wisconsin (1992)

Perspectives by Harold M. Rose, Professor of Geography and Urban Affairs

Perspectives by Ronald S. Edari, Associate Professor of Sociology

This research study provided empirical data on the employment experience of young African American men who entered the Wisconsin labor force in the late 1980s and early 1990s. Its goal was to examine the early labor force experience of 17,216 young men from poor families, matching state wage databases against individuals identified in the state income maintenance system (i.e., households applying for or receiving food stamps, AFDC or medical assistance, 1987-1989). The study analyzed 36,005 jobs held by the study population over five quarters. The vast majority of African American men in their early twenties who were employed were relegated to marginal, low-wage jobs for the duration of the 39 month period studied with most of the jobs in retail trades and the service industries. In 1990 only 10% of the jobs held by young men in the Milwaukee County study population paid a living wage, and only 5 percent paid a family-supporting wage. In Milwaukee because of the large number of African American youth living in families with lower incomes, it was estimated that the study population included over 85 percent of all African American males ages 20 to 24 in 1990 and over 75 percent of

African American male teens ages 16 to 19 in 1990. UWM professors Harold Rose and Ronald Edari offered critical perspectives on the data and its implications for African Americans in Milwaukee.

A History of Jobs for Workers on Relief in Milwaukee County, 1930-1994 (February 1995).

Executive Summary
CWA and FERA Projects
WPA Projects in Milwaukee County
PWA Union Construction Projects
CCC and NYA Jobs for Youth
Work Relief Programs from the 1950s through the 1990s
Theories Underlying Wisconsin Work Relief Programs

From 1930 to 1994 Milwaukee city and county governments created thousands of jobs for families who could not find unsubsidized employment and who sought county relief. Federal funds were used to create construction, education, health and office work for men and women heading families hardest hit by the Great Depression. In the 1930s in Milwaukee County federal "relief workers" helped build one of the finest park systems in the nation. For over sixty years Milwaukee County used local funds to operate work programs as part of its local provision of relief to individuals and families. Milwaukee's long history of work relief programs demonstrates that adults respond in large numbers to employment opportunities, that meaningful public service jobs can make important and lasting contributions to the community, and that local governments can provide effective leadership in developing jobs for individuals and families out of work.

Replacing Welfare with Work in the WPA: The [Women's] Project That Made Milwaukee Famous, 28th Annual Morris Fromkin Memorial Lecture, 1997.

The Milwaukee WPA Handicraft Project represented the largest public work program for unskilled women on welfare in Milwaukee County. Its success in providing meaningful employment to women with few obvious labor market skills was noted in the 1930s and attracts interest today as Wisconsin and other states initiate new "welfare to work" programs. For her lecture researcher Lois Quinn draws upon interviews with Mary Kellogg Rice (art director of the project from 1935 to 1942) and other project supervisors, published and unpublished project records, and studies of federal New Deal programs. Several project staff were available to discuss their work in detail, others associated with the project have left records and reflections on their activities, and many of the Milwaukee Handicraft products have been saved by public and private collectors. Concurrent with the 28th Annual Morris Fromkin Lecture, on October 30, 1997, University of Wisconsin-Milwaukee Chancellor John Schroeder presented the UWM Alumni Association's "Special Recognition Award" to WPA workers "in recognition of their dedication to, and the historical achievement of, the Milwaukee WPA Handicraft Project in providing meaningful work for thousands of Milwaukee County women." Milwaukee County Executive F. Thomas Ament presented the workers a special recognition "for outstanding and exemplary community service to the people of Milwaukee County."