

Jobs First: Final Report on Connecticut's Welfare Reform Initiative

Since its launch in 1996, Connecticut's Jobs First program has attracted national attention because it includes all the key elements of the 1990s welfare reforms: time limits, financial work incentives, and work requirements. Specifically, Jobs First limits families to 21 cumulative months of cash assistance unless they receive an exemption or extension. It includes an unusually generous financial work incentive that allows employed recipients to retain their full welfare grant as long as they earn less than the federal poverty level. And it requires recipients to work or to participate in employment services designed to help them find jobs quickly.

Jobs First is a focus of policymaker interest, too, as one of the first programs of its kind to be subject to a rigorous, large-scale evaluation. MDRC studied Jobs First's effects under a contract with the Connecticut Department of Social Services. Nearly 5,000 single-parent welfare applicants and recipients in Manchester and New Haven were assigned, at random, to Jobs First or to the Aid to Families with Dependent Children (AFDC) group, which was subject to the prior welfare rules. Jobs First's effects were estimated by comparing how the two groups fared over a four-year period. (Connecticut modified the Jobs First program after the period studied in this evaluation.)

Key Findings

- Jobs First made progress towards its key goal of replacing welfare with work: By the end of the four-year study period, 51 percent of the Jobs First group were working and not on welfare, compared with 42 percent of the AFDC group. Only 19 percent of Jobs First families were on welfare by the end of the study, compared with 28 percent of AFDC families.
- Jobs First boosted employment and earnings. Over four years, Jobs First group members earned 7 percent (about \$1,800) more, on average, than their AFDC counterparts. Gains were especially large — 37 percent (about \$3,600) — for recipients facing the most serious barriers to employment.
- The program's effects on welfare and income changed over time. Initially, the financial work incentive allowed Jobs First families to receive more in welfare benefits than AFDC families; they also had more income. But once Jobs First families began reaching the time limit, their welfare receipt was reduced and their income gains disappeared. Over four years, families in the two groups received about the same amount in welfare payments, but Jobs First families had 6 percent (about \$2,400) more, on average, in income from public assistance and earnings. Jobs First had few consistent effects on levels of material hardship, which were high for families in both groups.
- Just over half of Jobs First recipients reached the time limit in the four-year study period. About two-thirds of those recipients were granted at least one six-month benefit extension because they were not working or were earning very little and were deemed to have made a good-faith effort to find a job. (Most who received an extension left welfare in the next year or two.) Conversely, most recipients whose grant was closed because of the time limit were working.
- Jobs First generated some small improvements in the behavior of participants' young children but had mixed effects on adolescent children.

The final results from the Jobs First evaluation show that time limits — at least when the economy is exceptionally strong and most nonworking recipients who reach the time limit are allowed to continue receiving benefits — can be implemented without having widespread severe consequences for families.