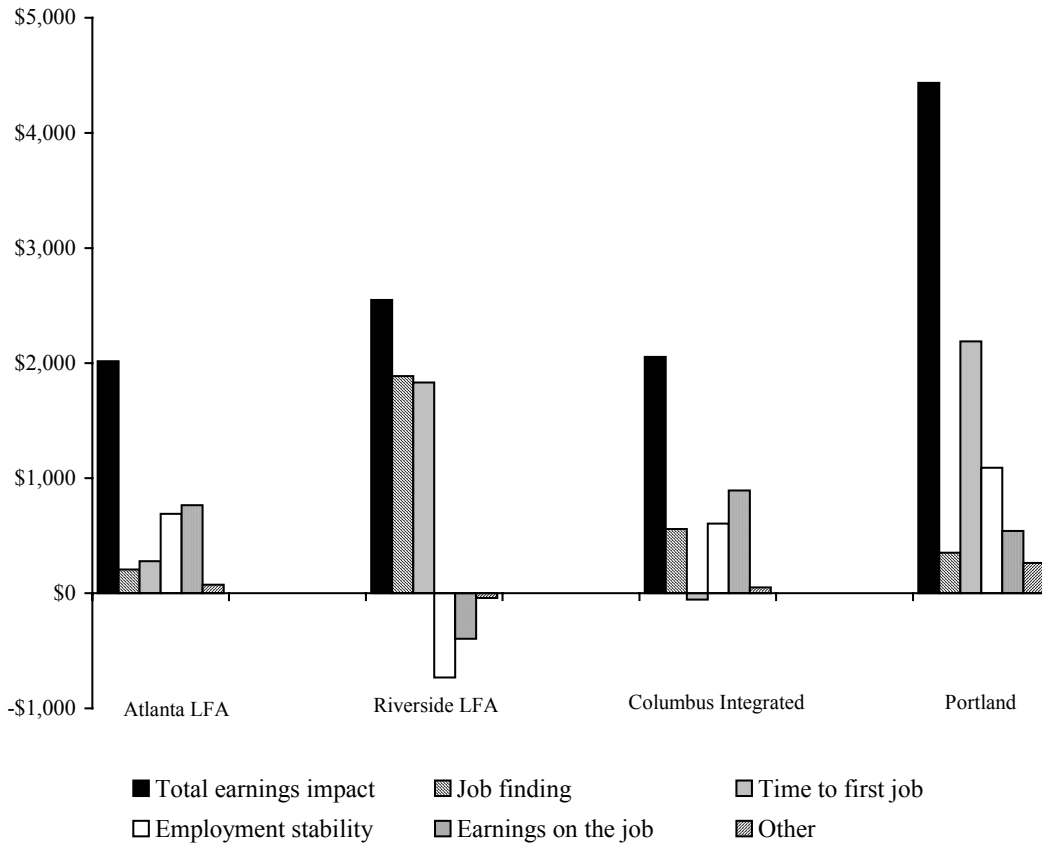


Box 2

What Makes Up Impacts on Earnings?

A welfare-to-work program's impacts on earnings are likely to consist of several components. First, a program can result in more people becoming employed than would normally have been the case (an impact on *job finding*). Second, among people who would have become employed in any case, a program can shorten the time that passes until they find a job (an impact on *time to first job*), lengthen the time they stay in a job (an impact on *employment stability*), or raise wage rates (an impact on *earnings on the job*).

The graph below shows the relative contributions of job finding, time to first job, employment stability, and earnings on the job to the five-year earnings impacts of four of the NEWWS programs (the black bars). Each impact was made up of a different configuration of these four contributing factors.



SOURCE: Freedman, 2000, updated to reflect data collected over five years.