

June 2005

The Employment Retention and Advancement Project Early Results from Four Sites

Dan Bloom, Richard Hendra, Karin Martinson, Susan Scrivener

Millions of welfare recipients have entered the labor force in the past decade, but surveys show that many remain in unstable, low-paying jobs that offer few opportunities for advancement. This report presents early evidence on the effectiveness of four diverse programs designed to help current or former welfare recipients work more steadily and increase their earnings. The programs are part of the Employment Retention and Advancement (ERA) project, which is testing 15 such programs nationwide. The ERA project is being conducted by MDRC under a contract with the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor.

Each ERA program is being evaluated using a random assignment research design whereby individuals are assigned, through a lotterylike process, to a program group that is eligible for ERA services or to a control group that is not. At this point, MDRC has followed the groups for one year, and this report presents early results from four of the sites:

- **Chicago, Illinois.** This program aims to help participants increase their earnings; it targets welfare recipients who are working steadily but earning too little to leave the rolls.
- **Riverside, California.** This program is testing two strategies for encouraging employed welfare recipients to use education or training as a route to advancement.
- **Pee Dee Region, South Carolina.** This program targets former welfare recipients in six rural counties and offers services to help participants work more steadily and move to higher-paying jobs.
- **Corpus Christi, Fort Worth, and Houston, Texas.** This program targets welfare recipients who are seeking work; it uses financial incentives and other services to help participants find jobs, stay employed, and increase their earnings.

Key Finding

- **The early effects on employment outcomes are mixed.** Among the four programs, the programs in Chicago and Corpus Christi appear to be helping some participants work more steadily or advance to higher-paying jobs. This early examination did not find positive impacts in the other programs. However, the positive findings in the Chicago and Corpus Christi programs at this early stage are encouraging, because past studies of retention- or advancement-oriented programs have not identified successful approaches.

The results in this report cover a short follow-up period, focus mainly on early program enrollees, and come from only 4 of the 15 ERA sites. Despite these cautionary notes, HHS and MDRC felt that it was important to publish results and begin stimulating discussion, rather than waiting for more definitive evidence. Beginning in 2005, MDRC will produce a series of reports providing additional evidence on the effects of all the ERA programs.