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The Employment Retention and Advancement Project Results from the Texas ERA Site

Karin Martinson, Richard Hendra

Although much is known about how to help welfare recipients find jobs, little is known about how to help them and other low-wage workers keep jobs or advance in the labor market. This report assesses the implementation and two-year follow-up effects of a program in Texas that aimed to promote job placement, employment retention, and advancement among applicants and recipients in the Temporary Assistance for Needy Families (TANF) program. The Texas program is part of the Employment Retention and Advancement (ERA) project, which is testing 15 such programs across the country. The ERA project is being conducted by MDRC, under contract to the U.S. Department of Health and Human Services, with additional funding from the U.S. Department of Labor.

To encourage employment retention and advancement among working TANF leavers, the Texas ERA program provided job search assistance, pre- and postemployment case management, and a monthly stipend of \$200. The program was evaluated in three sites — Corpus Christi, Fort Worth, and Houston — starting in 2000. The ERA evaluation uses a random assignment research design: Through a lottery-like process, eligible individuals were assigned either to a program group, whose members participated in the ERA program, or to a control group, whose members participated in Texas's standard welfare-to-work program (called "Choices"). The control group's outcomes tell what would have happened in the absence of the ERA program, providing benchmarks against which to compare the program group.

Key Findings

- **The ERA program was well implemented in Corpus Christi but experienced some operational difficulties in Fort Worth and Houston.** Across the sites, the control group participated in a relatively strong welfare-to-work program. ERA and Choices ended up being quite similar during the preemployment phase but had larger treatment differences during the postemployment phase, primarily due to the stipend. A significant effort was needed to market the stipend, and program staff increasingly made a good-faith effort to do so over time. In the end, however, this effort may have been insufficient, given that people needed to use up a four-month TANF earnings disregard before becoming eligible for the stipend. Among all those randomly assigned to ERA, stipend receipt rates were about 30 percent in Corpus Christi and 20 percent in the other sites; among those who found jobs and received the entire earned income disregard, estimated stipend receipt rates were about 55 percent in Corpus Christi and 40 percent in the other sites.

- **The Texas ERA program did not produce consistent or large effects on employment and retention outcomes during the first two years of the study period.** In Corpus Christi, there were a few modest impacts on employment and retention that were concentrated among those who entered the program during the early phases of the study period; the extra income from the stipend was enough to generate a statistically significant effect on income. In Fort Worth, the program's impacts were on initial employment rather than on employment retention. There were few impacts in Houston.

MDRC will continue to track employment outcomes for the study's participants, so these results are not the final word on the Texas ERA program. Yet the results do reinforce the view that promoting employment retention and advancement among welfare recipients presents challenging implementation issues.