



Strategies to Help Low-Wage Workers Advance

IMPLEMENTATION AND EARLY IMPACTS
OF THE WORK ADVANCEMENT AND
SUPPORT CENTER (WASC) DEMONSTRATION

Cynthia Miller
Betsy L. Tessler
Mark Van Dok

JUNE 2009

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Overview

The Work Advancement and Support Center (WASC) demonstration is testing an innovative strategy to help low-wage workers, who make up a large segment of the U.S. workforce, increase their incomes. WASC offers services to help workers stabilize their employment, improve their skills, and increase their earnings by working more hours or finding higher-paying jobs. The program also provides easier access to a range of financial work supports for which workers may be eligible, such as child care subsidies, food stamps, and the Earned Income Tax Credit. A unique feature of WASC is that all these services are offered in a single location — the One-Stop Career Centers created by the Workforce Investment Act of 1998 to provide job search assistance services — and are provided by workforce development and welfare staff in one unit. In addition, the program targets a group — the working poor — that has not typically been served by the federal workforce development system. WASC’s designers expected that the program would have an immediate effect on workers’ incomes, largely through increased use of existing work supports. In contrast, increases in earnings would come over the longer term, as the advancement services began to pay off.

MDRC developed and manages the WASC demonstration and is evaluating it using a random assignment research design. Low-wage workers in three sites — Bridgeport, Connecticut; Dayton, Ohio; and San Diego, California — were assigned at random to the WASC program or a control group. This report presents findings on program implementation from all three sites and first-year effects on employment, earnings, and work supports receipt in Dayton and San Diego.

Key Findings

- **Implementation.** Each site succeeded in bringing together workforce development and welfare staff into integrated teams focused on advancement and eased access to work supports, representing a significant culture change for the workforce development system. Staff were able to provide the key services to participants, although some services were delivered less intensively than envisioned. All sites faced some difficulty in delivering the services, largely because of funding shortages and staff turnover. Recruitment of low-wage workers also posed a major challenge, requiring significant staff time and effort.
- **Work supports.** More workers in the WASC group than the control group received food stamps, with increases of 10 percent in Dayton and 23 percent in San Diego. In both sites, children in WASC families were more likely than children in control group families to be covered by publicly funded health care. The WASC program in San Diego also increased Medicaid coverage for adults. Finally, the San Diego program substantially increased parents’ use of child care.
- **Advancement.** WASC did not increase employment or earnings in either site during year 1 — and in San Diego, it led to a small reduction in employment, an effect that will be important to track over time. Instead, WASC’s key effect on advancement during year 1 was to increase skill acquisition in Dayton. The program in that site substantially increased participation in education and training activities and increased the receipt of certificates and licenses. These effects are encouraging and may lead to advancement over time.

The next report, scheduled for 2010, will present two-year findings for Dayton and San Diego and one-year findings for Bridgeport.

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Preface

A large segment of the workforce in the United States today earns wages that are not enough to move their families out of poverty. Some of these workers will move up over time on their own, but many of them will continue to struggle to make ends meet, while often going without health insurance and other benefits. Although policymakers are focusing more and more on helping low-wage workers increase their incomes by getting better jobs and receiving available benefits, no public system targets this group. The One-Stop Career Centers around the country, funded by the Workforce Investment Act (WIA) of 1998 to provide employment services to job seekers, have to date focused primarily on helping the unemployed find work.

MDRC's Work Advancement and Support Center (WASC) demonstration tests a strategy that expands the mission of the One-Stop Career Centers to serve people who are already working, but at low wages. The WASC model offers services to help working individuals stabilize their employment, find better-paying jobs, improve their skills through education and training, and increase their access to key work supports, such as food stamps and health insurance for adults and children. A key feature of the model is that both types of services are offered in one location, in existing One-Stop Career Centers, and by teams of workforce development and welfare staff working together in the same unit. This report presents early findings about the program's effect on the use of work supports, employment, and earnings in two of the three WASC demonstration sites. After one year, the program is connecting more workers to key financial work supports, particularly food stamps and publicly funded health care coverage. Although WASC did not increase employment rates or earnings after one year, it did substantially increase enrollment in education and training in one site. Longer-term follow-up will show whether this increased training, as well as the other advancement services provided, will eventually pay off.

Bringing low-wage workers into the system and helping them to acquire the skills needed to advance is a broader approach to workforce development than has been tried before — one that stands to benefit employers as well as workers — and one that many have called for as Congress considers reauthorization of the original WIA legislation. Although some localities have moved in the direction of providing comprehensive services to low-wage workers, findings from the WASC demonstration will speak to the challenges and feasibility of serving this group and what works to help them advance. In addition, the recently passed economic stimulus bill — the American Recovery and Reinvestment Act of 2009 — provides workforce development centers around the country with additional resources to meet increased demand, to innovate, and to develop effective strategies to serve workers. While much of their focus in the short term will be on moving the unemployed back to work, the system should not lose sight of the fact that in today's labor market, finding a job is only the first step.

Gordon Berlin
President

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The Work Advancement and Support Center (WASC) demonstration would not have been possible without the hard work and commitment of the administrators and staff in all the sites. Special thanks go to Angela Porter, Nestor Leon, and Joe Carbone in Bridgeport; to Erthale Barnes, Vickie Mosier, and Heath MacAlpine in Dayton; and to Linda Weber, Jessica Mosier, and Diana Francis in San Diego — their leadership has made WASC a reality. Many of these individuals also reviewed earlier drafts of this report. We would also like to thank all of the career coaches and other staff from the sites, past and present, who skillfully implemented the WASC program, allowed us to observe them at work, answered our questions, and provided a wealth of information about how the program played out at the front lines. Thanks also go to Jodie Sue Kelly, a consultant to MDRC, who developed the training materials for the demonstration and conducted trainings with frontline staff in all three sites.

MDRC's capacity to carry out a demonstration with an ambitious learning agenda depends heavily on the ongoing commitment of key funding partners. They are acknowledged at the front of the report.

WASC's Work Advancement Calculator was based in part upon an earlier benefits estimator entitled "Oregon Helps," developed for Multnomah County, Oregon.

Several people provided help with securing the necessary data: Fran Hersh, Vickie Maddux, Mary Lou Owens, and Staci Wise at the Ohio Department of Job and Family Services; Aileen Douglas from the Employment Development Department in California; Patrick Valdivia, Roxanne Brown, Diane Francis, and Donna Rodriguez at the County of San Diego Health and Human Services Agency; and Heath MacAlpine, Erthale Barnes, and Vickie Mosier from the Montgomery County Department of Job and Family Services in Ohio.

At MDRC, Frieda Molina, James Riccio, and John Wallace provided important input and guidance on the analysis and early drafts. The report also benefited from reviews by Donna Wharton-Fields, Caroline Schultz, Barbara Goldman, Gayle Hamilton, Richard Hendra, and John Hutchins. David Navarro helped oversee the data collection and Alla Chaplygnia helped with the exchange, logging, and archiving of data files for the project. Albert Fang, Anne Warren, and Alexandra Pennington programmed the data and assisted in the analysis. Daniel Schlaff assisted with report production. Alice Tufel edited the report, and David Sobel and Stephanie Cowell prepared it for publication.

We would like to pay special tribute to Kenneth Samu, a dedicated career coach from Bridgeport, who passed away in December 2008. Ken had a cheerful, engaging personality that put both his customers and his coworkers at ease. We are grateful for the contributions he made to the WASC program and the difference he made for his customers.

Finally, we extend our deep appreciation to the people who participated in the study and gave generously of their time to respond to a survey and participate in focus groups.

The Authors

Executive Summary

This report presents first-year impact results from two sites in the Work Advancement and Support Center (WASC) demonstration — San Diego, California; and Dayton, Ohio — and implementation findings for those two sites as well as for a third site, Bridgeport, Connecticut. (Only San Diego and Dayton are covered in this Executive Summary.) WASC is an innovative program designed to help low-wage workers advance in the labor market and increase their incomes. It offers services to help workers stay employed, improve their skills, and find higher-paying jobs. It also provides easier access to a range of financial work supports, such as child care subsidies and the Earned Income Tax Credit (EITC), for which workers may be eligible. Finally, a key feature of WASC is that all these services are offered in a single location — the local One-Stop Career Centers created by the Workforce Investment Act (WIA) of 1998. The program was explicitly designed to build the capacity of the workforce development system to serve low-wage workers, and its findings will be of direct relevance to the debate on WIA reauthorization.

MDRC developed and manages the WASC demonstration and is responsible for its evaluation. The demonstration is currently being funded by the U.S. Department of Labor, the Ford Foundation, The Rockefeller Foundation, the Robert Wood Johnson Foundation, and the U.S. Department of Health and Human Services. The project has also been supported by earlier grants from The Annie E. Casey Foundation, the U.S. Department of Agriculture, The David and Lucile Packard Foundation, The Joyce Foundation, The William and Flora Hewlett Foundation, The James Irvine Foundation, and the Charles Stewart Mott Foundation.

WASC is being evaluated using a random assignment research design, in which individuals eligible for the demonstration are assigned at random to the WASC group or to a control group. The WASC group is eligible to receive WASC benefits and services, while the control group is not eligible for WASC services but is eligible to seek out existing services in the community. The impact of WASC is assessed by comparing outcomes for the WASC and control groups.

Key findings from the first year of follow-up show that:

- The program is meeting one of its two primary objectives — increasing the receipt of several key work supports. In both sites, more individuals and families in WASC than in the control groups received food stamps and publicly funded health coverage. In the San Diego site, families in WASC were much more likely than families in the control group to use child care, although they were not more likely to report receiving assistance paying for this care.

- The program substantially increased participation in education and training activities in Dayton, leading in turn to an increase in the number of participants who obtained certificates and licenses. However, WASC had no effect in that site on employment or earnings through the first year. In San Diego, the program led to a small reduction in employment covered by the unemployment insurance (UI) system.

The results presented here should be considered an early and preliminary assessment of the program, given that they rely on a partial sample in San Diego. In addition, effects on advancement may take more than one year to emerge, particularly if participants pursue training as a route to higher earnings.

The WASC Model

In today's labor market, a large segment of the workforce in the United States earns wages that are not enough to lift their families out of poverty. One out of four workers, for example, earns less than \$10 per hour.¹ While some of these workers will move up over time on their own, recent research indicates that such advancement is the exception rather than the norm.² As a result, many of these workers will continue to earn low wages, while often going without health insurance and other benefits.

Although policymakers are increasingly focused on helping low-wage workers boost their incomes by advancing in the labor market and obtaining available benefits, no public system targets this group. The workforce development system of One-Stop Career Centers largely serves unemployed individuals and dislocated workers (those who have lost a job and have been reemployed at a lower wage). Similarly, while not explicitly targeting the unemployed, the welfare system has not typically focused on low-wage workers. In fact, working individuals are often unaware of the financial benefits for which they are eligible or have little time to complete the often burdensome application process.

WASC was designed to fill this gap. The model calls for the provision of retention and advancement services — that is, services designed to help workers remain employed, receive promotions, or move into better-paying jobs — and simplified access to financial work supports, all offered in one location by integrated teams of workforce development and welfare staff.³ Key work supports include food stamps, medical insurance for adults (Medicaid) and

¹Bureau of Labor Statistics, “May 2007 National Occupational Employment and Wage Estimates, United States” (Washington, DC: U.S. Department of Labor, n.d.). Web site: www.bls.gov/oes/current/oes_nat.htm.

²Fredrik Andersson, Harry Holzer, and Julia Lane, *Moving Up or Moving On: Workers, Firms, and Advancement in the Low-Wage Labor Market* (New York: Russell Sage Foundation, 2005).

³“Employment stability” and “retention” are used interchangeably in this report.

children (Medicaid and the State Children’s Health Insurance Program, known as SCHIP), subsidized child care, and federal and state Earned Income Tax Credits and the federal Child Tax Credit. Services were offered to participants for up to two years. Major elements of the WASC program include career coaching, skills development, education about available work supports, and simplified work support application procedures.⁴ Although the same basic program was set up across the participating WASC locations, each site had some leeway to offer services that fit its population’s needs or to take advantage of local opportunities. The specific elements of each site’s program are presented in the report.

The goal of the program is to help low-wage workers increase their incomes, but program designers envisioned that this would occur through different mechanisms over the shorter versus the longer term. The short-term goal was to increase family’s incomes and well-being through the use of existing work supports. Some work-based supports can increase employment rates, employment stability, and earnings, all key inputs to advancement, but both economic theory and findings from studies of the effects of cash welfare payments suggest that the additional income from some work supports could reduce employment and possibly discourage advancement. For this reason, the provision of advancement services was viewed as key to helping workers increase their incomes through higher earnings alone over the long term.

The WASC Evaluation and Target Population

WASC was implemented in four sites around the country — Dayton, Ohio; San Diego, California; Bridgeport, Connecticut; and Fort Worth, Texas.⁵ MDRC is tracking outcomes for the study participants using a variety of data sources. For this report, the data cover one year after study entry.

WASC recruited two broad and sometimes overlapping target groups: (1) low-wage workers, and (2) reemployed dislocated workers. The majority of individuals who were eventually enrolled into the study earned less than \$10 per hour and had a family income below 130

⁴WASC planners had hoped that a key feature of the model would be to offer services to groups of participants at their workplaces, which would make participation more convenient and strengthen ties with employers. For reasons discussed in the report, however, providing services at the workplace did not turn out to be a key feature of the WASC model as it was actually implemented.

⁵The Fort Worth site was unique in the demonstration, in that services were to be offered entirely at the workplace. Employers were to be recruited into the study and services offered to a randomly chosen subset of their employees. For various reasons, the site experienced difficulty recruiting employers into the demonstration and was subsequently converted to a site for which only the implementation of the program will be studied.

percent of the poverty line.⁶ Thus, although the WASC sample represents a particular segment of the low-wage worker population, it is one that nonetheless stands to benefit from the program. They earn fairly low wages, they are likely to live below the poverty line, and many of them do not receive benefits for which they are likely eligible.

Key Findings on Program Implementation

- **WASC was implemented largely as designed in Dayton and San Diego, although the sites did face difficulties along the way.**

The new model — of bringing together workforce development and welfare staff in one unit to collaborate and deliver integrated services to low-wage workers — required a culture change among staff: After having previously focused on eligibility rules, compliance, or job placement only, they now had to adopt a new focus on job advancement. Both sites were successful in integrating staff and achieving this focus on advancement, although staff from each system did retain some degree of specialization. In addition, both sites were able to recruit low-wage workers into the study and deliver advancement and work support services.

- **Recruiting low-wage workers to a voluntary program was a major challenge; recruitment was very labor-intensive for staff, at times distracting them from service delivery.**

Recruiting sufficient numbers of workers into the study was more complicated and time-consuming than originally envisioned, and the sites spent considerable effort devising strategies to find these workers and contact them. In addition, the sites did not have sufficient numbers of staff to take on this labor-intensive effort while also providing services to individuals who were already enrolled. As a result, when the sites made strong recruitment efforts, the delivery of services often lapsed and staff were not able to meet with enrolled WASC participants (also referred to as “customers”) as often as planned.

- **WASC staff provided easier access to work supports for their customers. In addition, individuals in the WASC group were more likely than those in the control group to report receiving encouragement in and help with applying for the full range of available work supports.**

⁶During the pilot phase of the demonstration, eligibility was restricted to those earning no more than \$9 per hour and with household income of no more than 130 percent of the federal poverty line. As it became evident that recruitment would be a major challenge, the eligibility guidelines were modified as part of a larger strategy to help the sites’ efforts.

The WASC sites created an application environment for work supports that differed significantly from business as usual. WASC customers came to one location and met with just one or two staff members, who handled eligibility screening, application, and recertification for each of the various work supports being offered. WASC coaches could usually complete several applications by referring to the first application for information. As a result, the customer was asked to provide information only once. In one site, the applications for several programs were also combined and simplified. Additionally, WASC made it even easier for customers to apply for work supports by offering, in most sites, flexible hours or locations to meet with staff. Finally, in sites with a waiting list for child care assistance, WASC moved its eligible customers to near the top of the list.⁷

- **WASC staff succeeded in providing a range of advancement services to participants. Low-wage workers in the WASC group were much more likely than those in the control group to have met with a career coach and to have received help with retention and advancement.**

The WASC model called for provision of a wide range of advancement services. Staff were expected to develop advancement plans with their customers, identify specific steps to achieve those goals, stay in contact with customers, and meet with customers on a flexible schedule. Overall, all sites adhered fairly closely to the model, with some exceptions.

The survey data also confirm that staff did provide more advancement services than participants would have otherwise received. Individuals in the WASC group were much more likely than those in the control group to have met with a career coach in the four weeks prior to the 12-month survey that was administered to a subset of the full sample. The WASC group was also more likely to report receiving help with career assessments and job preparation over the prior year. Finally, the WASC group reported receiving more encouragement from staff to pursue long-term career goals and to pursue better jobs or promotions.

Key Findings on Program Impacts

- **WASC increased the receipt of food stamps by about 10 percent in Dayton and 23 percent in San Diego.**

The effects are remarkably similar across sites (see the top panel of Table ES.1). In both Dayton and San Diego, WASC increased the proportion of individuals who received food stamps during the first year of the program by 5.5 percentage points (from a control group level

⁷In practice, a waiting list existed in San Diego only, and that site ultimately used separate funds to subsidize child care for its clients. Therefore, individuals in the control groups were not pushed further back on the waiting list because of WASC.

The Work Advancement and Support Center Demonstration

Table ES.1

Year 1, Impacts on Receipt of Work Supports

Dayton and San Diego

Outcome	Dayton			San Diego		
	WASC Group	Control Group	Difference (Impact) Percentage Difference	WASC Group	Control Group	Difference (Impact) Percentage Difference
<u>Food stamps</u>						
Ever received food stamps (%)	59.4	53.9	5.5 **	29.6	24.1	5.5 **
Months receiving food stamps	4.8	4.1	0.7 ***	2.0	1.6	0.4 **
Amount of food stamps received (\$)	1,410	1,284	126 *	628	494	135 *
Sample size (total = 1,977)	595	589		397	396	
<u>Child care arrangements^a (%)</u>						
Used child care since random assignment	67.1	61.8	5.3	51.3	37.4	14.0 *
Received any help with child care costs ^b	38.7	34.4	5.3	21.8	14.6	7.3
<u>Health care coverage (%)</u>						
Respondent has health care coverage	67.2	64.8	2.4	69.1	61.9	7.2
Publicly funded	32.4	31.0	1.5	39.0	31.4	7.6 *
Privately funded	35.0	33.8	1.1	30.0	30.5	-0.5
All dependent children have health care coverage ^c	92.5	89.1	3.4	86.0	78.6	7.4
Publicly funded	77.5	67.6	9.9 *	71.9	57.2	14.7 **
Privately funded	14.4	21.4	-7.0	14.0	21.3	-7.2
Sample size (total = 929)	254	248		219	208	

(continued)

Table ES.1 (continued)

SOURCES: MDRC calculations using administrative records for food stamp impacts, and survey data for child care and health care impacts for both Dayton and San Diego.

NOTES: Sample sizes vary because of missing values.

A two-tailed t-test was applied to differences between research groups. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

^aChild care measures are among sample members with at least one child age 11 years or younger at time of random assignment.

^bRespondent is coded as receiving help with child care costs if someone else paid for child care since random assignment, if the respondent received refund for child care since random assignment, or if the respondent received subsidized child care since random assignment.

^cThe percentage of sample members who have medical insurance may not necessarily equal the sum of those with public coverage and private coverage because of missing values.

of 53.9 percent in Dayton and 24.1 percent in San Diego). This impact represents a 10 percent increase in Dayton, given its relatively high receipt rates, and a 23 percent increase in San Diego. The increase in use translated into more months of food stamp receipt on average for the WASC group and about \$130 more in food stamps over the entire year. Separate analyses (not shown) indicate that both sites increased food stamp use largely by increasing the receipt of benefits, rather than by helping individuals stay on food stamps for longer periods, although the program in Dayton did have some effects on benefit duration. While it is difficult to pinpoint the particular feature of the program that led to increased benefits receipt, the implementation findings suggest that a key factor was easier access. Individuals in the WASC group received help in filling out applications, did not have to make multiple visits or wait in long lines, and were able to come in during nonstandard hours.

While the gain of \$130 may seem modest, it represents an average gain across all sample members, many of whom did not receive food stamps. When one looks only at individuals who took up food stamps because of WASC, the average participant gained more than \$2,000 in food stamp benefits over the year. This finding is consistent with other analyses (not shown) showing that WASC generally increased food stamp amounts by about \$150 to \$300 per month.⁸

- **WASC substantially increased the use of child care in San Diego but not the reported receipt of child care subsidies. No such effects were found in Dayton.**

Among the control group members in San Diego, 37 percent reported using child care (informal or formal arrangements) in the year after study entry, compared with 51 percent of the WASC group, for a sizable impact of 14 percentage points (see the second panel of Table ES.1). However, the program did not increase the reported use of subsidized child care, defined broadly here as receiving any assistance with child care costs. It is possible that recipients are not always aware that their child care is subsidized. A future report will use state records data on child care subsidies to confirm this finding.

The findings on child care are consistent with variation in the program models and environments across sites. Although all WASC sites were required to guarantee subsidized child care to eligible families by placing them near the top of subsidized care waiting lists, a waiting list existed in San Diego only. In addition, San Diego staff used discretionary funds to directly subsidize care for many of their customers. In Dayton, in contrast, the treatment difference consisted primarily of help with the application.

⁸WASC had no effect on sample members' use of the Earned Income Tax Credit, although these results are uncertain given the limitations of the survey data in measuring the receipt of this benefit.

- **WASC increased the rate of Medicaid coverage for adults in San Diego. The program also increased the rate of publicly funded health coverage for children in both sites, although these effects may have been partially offset by reductions in private coverage.**

WASC increased respondents' use of publicly funded coverage (Medicaid) in San Diego, from 31.4 percent for the control group to 39 percent for the WASC group, for an increase of 7.6 percentage points (see bottom panel of Table ES.1). The effect on having any type of coverage is similar in size, although it just misses being statistically significant (not shown). (Effects that are statistically significant are unlikely to be due to chance). In contrast, WASC had no effect on adult health care coverage in Dayton.

Effects on children's coverage were more similar across sites. In Dayton and San Diego, WASC led to an increase in the rate of publicly funded coverage (Medicaid or SCHIP). The program did not increase overall coverage because of partially offsetting reductions in private coverage, although these differences are also not statistically significant. It is not unusual for this type of substitution to occur with increased access to public or other low-cost health care coverage.⁹ The net effect for participants is not clear, but substitution of public for private coverage is an issue to consider in the effort to connect low-wage workers to work supports.

- **In Dayton, WASC increased the number of individuals who reported being enrolled in college courses or vocational training programs during the first year and increased the number who reported receiving a vocational license or certificate.**

A large number of participants reported being interested in WASC as a route to pursue education or training. WASC staff were proficient in connecting participants to training and drawing down training funds, with some differences. Dayton had access to state discretionary funds that helped to provide extra and quite generous financial incentives to individuals for participating in and completing training. In addition, WIA funding for training was generous and accessible for working people. In San Diego, in contrast, funding for training through WIA was difficult to access for those who were already employed. This site primarily referred customers to existing, low-cost training opportunities within the community.

The survey data suggest that additional funding for training, as available in Dayton, was important to increasing its use. The WASC groups in both San Diego and Dayton were more likely than their control group counterparts to report that staff encouraged them to pursue

⁹See, for example, Cynthia Miller et al., *New Hope for the Working Poor: Effects After Eight Years for Families and Children* (New York: MDRC, 2008), for evidence from the New Hope project.

education and training, but only in Dayton did the program lead to increased enrollment. In this site, WASC increased the proportion of individuals enrolled in any type of education or training by 23 percentage points, from 54 percent for the control group to 77 percent for the WASC group (Table ES.2). This entire effect was a result of increased enrollment in either college courses or vocational training programs. Most of the effect also appears to be driven by individuals who participated while working.

- **WASC had no effect on employment or earnings through the first year in Dayton, and reduced UI-covered employment somewhat in San Diego.**

The bottom panel of Table ES.2 shows that employment rates were not quite 100 percent during the year for all groups, reflecting the fact that some individuals at study entry worked in jobs that are not covered by the UI system.¹⁰ Although over 90 percent of the sample worked at some point during the year in a UI-covered job, a much lower percentage worked for all four quarters of the year, suggesting a fair amount of job loss.

The WASC program had no effects on employment or earnings in Dayton. In San Diego, however, WASC reduced the number of individuals who worked all four quarters of the year by 6.5 percentage points. Although it is not clear what caused the reduction in employment, survey data (not shown) suggest that the increased receipt of work supports allowed some individuals to work in part-time, informal jobs. It will be important to track these effects over the longer term.

Conclusion

The WASC program represents an ambitious attempt to build the capacity of the workforce development system's One-Stop Career Centers to recruit a new population of low-wage workers into their offices, help them obtain access to work supports, and provide them with advancement services to increase their earnings. By expanding the mission of the workforce development system to include low-wage workers and requiring the creation of new practices to serve them, WASC represents a major culture change for the system and one that many have proposed in the ongoing debate over WIA reauthorization.

The findings to date, although preliminary, suggest that the One-Stop sites in the WASC demonstration have achieved some but not all of the program's goals. The sites brought together workforce development and welfare staff into integrated teams and developed a focus on advancement and eased access to work supports. This type of institutional change did not

¹⁰Examples of employment that is not covered by UI records are self-employment, informal jobs, agriculture jobs, and federal government jobs.

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Table ES.2

Year 1, Impacts on Education/Training and UI-Covered Employment and Earnings

Dayton and San Diego

Outcome	Dayton		San Diego	
	WASC Control Group	Difference (Impact)	WASC Control Group	Difference (Impact)
Education and training (%)				
Participated in any education/training activity	76.6	22.9 ***	44.6	0.3
College courses	56.2	17.0 ***	18.9	-1.4
Vocational training	32.8	13.1 ***	18.8	4.0
Ever participated in an employment or education activity while working	71.4	19.5 ***	48.7	6.3
Obtained a license, certificate, or degree	23.4	8.2 **	12.3	3.8
License or certificate ^a	18.1	6.8 **	10.5	5.1 *
Any degree or diploma ^b	7.3	2.2	2.5	-2.1
Employment and earnings				
Ever employed (%)	95.9	0.8	90.7	-0.2
Employed 4 consecutive quarters (%)	74.8	1.1	63.2	-6.5 **
Total earnings (\$)	12,669	-244	13,447	-961
Sample size (total = 1,977)	595	589	397	396

SOURCES: MDRC calculations from unemployment insurance (UI) administrative records from the states of Ohio and California.

NOTES: A two-tailed t-test was applied to differences between research groups. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

^aIncludes trade license or training certificate.

^bIncludes a General Educational Development (GED) certificate, high school diploma, associate's degree, bachelor's degree, and graduate degree.

come without significant challenges along the way, which are documented in this report. The sites also increased low-wage workers' receipt of several key work supports, including food stamps and publicly funded health care coverage, but did not increase their earnings.

The effects on food stamp receipt rates, although moderate in size, are encouraging. First, they occurred on top of recent increases in food stamp receipt among working families, in part a result of state and local efforts to increase access and outreach. The WASC findings suggest that there is even more room for improvement and illustrate some of the ways in which this improvement might be achieved. For the families affected, the gains were large. Similarly, the demonstration has shown that it is possible to increase the receipt of publicly funded health care coverage for children, although this increase was partially offset by a reduction in private coverage. The ability to connect families to this benefit may become more and more important, if unemployment increases or if the costs of employer-provided coverage continue to rise. Finally, the effects on child care use are quite large and may have longer-term implications for both adults and children.

The next report, scheduled for early 2010, will present two-year findings for Dayton and San Diego, as well as findings after one year for Bridgeport. The report will include longer-term follow-up on both food stamps and earnings, using records data, and will present new findings from records data on the receipt of child care subsidies. Finally, the report will examine in more depth whether the program had different effects for particular subgroups of the sample.

Chapter 1

Introduction

In 2007, one in four workers in the United States earned less than \$10 per hour, a wage rate that leaves many of these workers and their families poor or near poor.¹ Someone working full year, full time to support a family of four, for example, could bring his or her family to just below the federal poverty line with this wage, while a single adult who is not supporting a family would end up at about twice the poverty line. Many of these workers will leave the ranks of the working poor over time, as they gain experience in the labor market and move to higher-paying and better jobs. But many will not.² Those workers and their families will continue to struggle to make ends meet, while often going without health insurance and other benefits. Policymakers have become increasingly focused on ways to help these workers boost their incomes by advancing in the labor market and by taking up the benefits for which they are eligible.

To date, however, these workers are on the margins of the two public systems that might help. The workforce development system — the One-Stop Career Centers funded by the Workforce Investment Act (WIA) to provide a range of services to job seekers — largely serves the unemployed.³ And, although it provides some opportunities for training, the system’s key emphasis is on job placement. The welfare system, consisting of multiple programs and agencies, has typically not served a working population. Working individuals are often unaware of benefits for which they are eligible, believing in some cases that they need to be unemployed or on welfare to receive other benefits. In other cases, they have little time to complete the often burdensome application process or to visit benefit offices that are typically open only during workday hours.

This report presents early results from the Work Advancement and Support Center (WASC) demonstration, an initiative designed to fill the gap in services for low-wage workers and test innovative ways to help them advance and increase their incomes. First, WASC aims to offer intensive retention and advancement services — that is, helping working individuals stabilize their employment, find better-paying jobs, and improve their skills. At the same time, WASC makes it easier for these workers to receive existing benefits, or work supports — a “make work pay” strategy that should help to increase their incomes and stabilize their employment. A key feature of the program is that both types of services are offered in one

¹Bureau of Labor Statistics (2009b).

²Andersson, Holzer, and Lane (2005).

³The Workforce Investment Act of 1998 created a new, comprehensive workforce development system, replacing the Job Training Partnership Act and other federal job training programs with an integrated “One-Stop” system providing employment and training services to students, dislocated workers, and youth.

location — in existing One-Stop Career Centers — and by colocated teams of workforce development and welfare staff.

MDRC developed and manages the WASC demonstration and is responsible for its evaluation. The demonstration is currently being funded by the U.S. Department of Labor, the Ford Foundation, The Rockefeller Foundation, The Robert Wood Johnson Foundation, and the U.S. Department of Health and Human Services. The project has also been supported by earlier grants from The Annie E. Casey Foundation, the U.S. Department of Agriculture, The David and Lucile Packard Foundation, The Joyce Foundation, The William and Flora Hewlett Foundation, The James Irvine Foundation, and the Charles Stewart Mott Foundation.

This report presents findings on the implementation of the program in the three evaluation sites — Dayton, Ohio; San Diego, California; and Bridgeport, Connecticut — and its effects on the use of work supports, employment, and earnings after one year in Dayton and San Diego.⁴ The findings are a preliminary and early look at the program's effects, given that they do not include effects from Bridgeport and cover only a partial sample in San Diego. In addition, the program's effects on advancement may take more than one year to emerge, particularly if participants pursue training as a route to higher earnings.

By expanding the One-Stop Career Centers' mission to include low-wage workers, the WASC model challenges the existing workforce development system to be more comprehensive, recognizing that in today's labor market, finding a job is only the first step. Bringing low-wage workers into the system and helping them to acquire the skills needed to advance is a broader approach to workforce development and one that would simultaneously benefit employers in their search for more highly skilled labor. In fact, as Congress considers reauthorization of the original WIA legislation, some proposals call for expanding services to low-wage workers. Findings from the demonstration will speak to the challenges and feasibility of serving this group and what works to help them advance. Although much is known about how to help the unemployed move into work, much less evidence exists on what strategies help workers stay employed and move up.

Findings from WASC will also help to inform several other recent policies directed to low-wage workers. For example, several initiatives have been launched or expanded to increase low-wage workers' receipt of existing work supports. These efforts range from actions taken by government agencies themselves to increase program take-up,⁵ to foundation-funded efforts to

⁴Although there were originally four evaluation sites, one site later became an implementation-only site and will be discussed in a forthcoming report.

⁵See Wolkwitz (2008) for a description of efforts by the U.S. Department of Agriculture to increase food stamp take-up.

connect workers to the full array of supports.⁶ The demonstration will highlight the challenges and effects of enrolling workers — many of whom had few previous connections to the benefit system — in work supports. Finally, there has been some movement in recent years to increase collaboration between the workforce development and welfare systems, with some local efforts that look very similar to the WASC model.⁷ The WASC results will show the feasibility of offering advancement and work supports services in one location, within one unit.

The WASC Model

In developing the WASC model, planners sought to build on the best evidence available to date about how to help low-wage workers advance and increase their incomes. The model sought to improve the provision of retention and advancement services and to ease access to financial work supports. Each of the subsequent sections in this chapter discusses the general elements of WASC, the specific services that were offered to WASC program participants (also called “customers”) in the sites, and how those services differed from what is typically available to low-wage workers.

Increasing Advancement

The primary objective of WASC is to help low-wage workers stay employed, build skills, and advance.⁸ Although recent research documents that some low-wage workers advance over time on their own, many do not.⁹ In a recent study, for example, workers with low earnings in a given three-year period, defined as less than \$12,000 annually, were followed for another six years. Only about one-fourth of those workers consistently earned more than \$15,000 at the end of the period.¹⁰

Workers can advance in several ways. A first step is to establish stability in the labor market. It is well documented that low-wage and less-skilled workers have relatively high rates of employment instability — that is, they lose jobs frequently — which has negative effects on earnings prospects.¹¹ Among those in stable work, some might advance by staying in the same job and moving up over time, while others advance by changing jobs. For low-wage workers, changing jobs appears to be an important avenue for advancement, particularly if they move to

⁶Such efforts include, for example, the Supporting Work Project, managed by The Families and Work Institute and funded by the Ford Foundation, and Single-Stop USA.

⁷New York City’s Career Advancement Program, operating out of its One-Stop system, is one example.

⁸For the WASC demonstration, “advancement” is defined as obtaining an increase in wages or work hours, obtaining employer-provided benefits, or obtaining better work hours.

⁹Gladden and Taber (2000); Gottschalk (2001).

¹⁰Andersson, Holzer, and Lane (2005).

¹¹Gladden and Taber (2000); Gottschalk (2001); Holzer and Lalonde (2000).

an industry and occupation with more training and advancement opportunities.¹² However, many of these workers lack the information and connections necessary to access these better jobs. Finally, education and skill levels are key predictors of upward mobility. Workers with higher education levels and more training experience higher rates of wage growth on the job and greater gains from changing jobs than less-skilled workers.¹³ Yet many low-wage workers face formidable barriers to acquiring more skills, such as a lack of basic preparation needed to enter training programs and both the time and financial costs of attending. Underlying the WASC model is an understanding of these avenues to advancement and the barriers that low-wage workers face to pursuing them. The program was designed to promote advancement in a number of ways:

- **Career coaching.** Career coaches work with participants to identify short- and long-term advancement goals and the steps necessary to reach them. For example, participants receive guidance about securing promotions, raises, increased hours, and benefits in their current jobs. WASC staff also help participants find higher-paying positions elsewhere, with job developers sometimes identifying such positions. To increase participants' knowledge about career opportunities, WASC staff use skills and interest assessments and set up informational interviews with employers. Finally, career coaches work with participants who have not been able to remain steadily employed to identify and address barriers to job retention.
- **Skills development.** Participants can increase their skills to qualify for better-paying jobs through traditional classroom-based training, on-the-job training opportunities, and paid work experience. WASC refers participants to other workforce development providers, some of whom may be based in the One-Stop. In addition, some WASC sites have set aside substantial resources for Individual Training Accounts (ITAs) and to underwrite a variety of education and training costs.
- **Working with employers.** From the outset, WASC planners had hoped that working with employers would be a key component of the model. The main goal in this area was to offer services to groups of participants at their workplaces, which would make participation more convenient, strengthen ties with employers, and facilitate advancement within the firm. For participants served through the One-Stop office, another goal was to cultivate the support of their employers for training and advancement. However, for rea-

¹²Even and MacPherson (2003); Andersson, Holzer, and Lane (2005).

¹³Connolly and Gottschalk (2006).

sons discussed later, working with employers did not turn out to be a feature of the WASC model as it was actually implemented.

Table 1.1 summarizes the advancement services available to WASC participants and how those services differ from services that typically would be available to low-wage workers. The table illustrates that although WASC was a “franchise” model — that is, services were designed to be delivered in a uniform way across all sites and all participants were to have access to the same types of services — all sites had leeway to offer services to fit their local needs or to take advantage of existing funding opportunities. For example, the WASC model calls for the promotion of skills development. Within this domain, the Dayton site had considerable discretionary funding and was able to offer generous cash incentives to participants for enrolling in and completing education or training. The table also highlights that, in the absence of WASC, few services are typically available for low-wage workers at the One-Stops, although they could seek out services from within the community — for example, through community-based organizations or community colleges. Although workers are free to enter the One-Stops and take advantage of job boards and other information, more intensive services and training are largely reserved for unemployed clients. The One-Stop in Dayton stands out in serving employed clients, but these clients typically do not receive advancement coaching and are unlikely to be eligible for training funds.

Increasing Take-Up of Work Supports

The second goal of WASC is to increase the rate at which low-wage workers take up available work supports. Work supports are defined here as public programs, not all of which are conditional upon work, intended to supplement the incomes of low-wage workers and their families. WASC considers the following work supports a priority: food stamps,¹⁴ medical insurance for adults (Medicaid) and children (Medicaid and the State Children’s Health Insurance Program, known as SCHIP), subsidized child care, federal and state Earned Income Tax Credits (EITC), and the federal Child Tax Credit (CTC). Individually, these supports have been found to have positive effects on families; combined, they can significantly increase family income and resources.¹⁵ However, many programs are underused and take-up rates vary from program to program. In 2005, for example, only 57 percent of low-wage workers who were eligible for food stamps received them, and this fraction varied considerably across states. Among the three states where WASC is being evaluated, California and Connecticut ranked

¹⁴In October 2008, the federal Food Stamp program was renamed the Supplemental Nutrition Assistance Program (SNAP).

¹⁵Moffitt (2002).

The Work Advancement and Support Center Demonstration

Table 1.1

Advancement Services in WASC Sites Dayton, San Diego, and Bridgeport

Type of Service	Services Available Under WASC	Typical Services Prior to WASC
Active advancement coaching	<ul style="list-style-type: none"> - Consistent contact with staff - Develop advancement plan - Discuss interaction of advancement and work supports 	<ul style="list-style-type: none"> - No advancement coaching available - Case management at One-Stop Career Centers focused on job placement only - Bridgeport: Provided advancement services to low-wage workers through the Academy for Career Advancement
General employment assistance	<ul style="list-style-type: none"> - Staff-assisted career assessments, labor market information, and job search assistance - Dayton: Generous cash incentives for maintaining steady employment 	<ul style="list-style-type: none"> - Career assessments, labor market information, and job-search assistance available at One-Stop Career Centers, but largely self-directed for working individuals - Dayton: One-Stop Career Center serves working individuals
Training assistance	<ul style="list-style-type: none"> - Assistance applying for existing training funds, some of which are through WIA - Dayton and Bridgeport: Streamlined application for WIA funds - Dayton: Generous cash incentives for participating in training while working, and for completing training 	<ul style="list-style-type: none"> - WIA funds for training generally not available to working individuals, except in Dayton, where access to training funds is still very limited for workers

NOTE: WIA = Workforce Investment Act.

relatively low, at 34 percent and 45 percent, respectively, while Ohio was just above the national average.¹⁶ Data on health coverage also suggest room for improvement. For example, one in five poor children was uninsured in 2006. Lack of coverage is relatively high for Hispanic children and for foreign-born adults, especially those who are not citizens.¹⁷ Finally, research on the EITC suggests fairly high take-up rates, around 85 percent, although rates vary across

¹⁶Cunyngham, Castner, and Schirm (2007).

¹⁷DeNavas-Walt, Proctor, and Smith (2007).

different types of workers and across areas.¹⁸ Survey data suggest, for example, that awareness and use of the EITC is much lower among low-income Hispanic parents than other parents.¹⁹

An individual's decision to take up work supports depends on the benefits and costs of participation, where costs can include the inconvenience of applying, the time and effort of learning about eligibility and program rules, and any stigma associated with receiving benefits. The evidence suggests that each of these factors affects take-up rates, although the effects of stigma appear to be fairly modest.²⁰ Lack of knowledge, for example, appears to be an important barrier to applying for food stamps, with many eligible families mistakenly believing that they are ineligible,²¹ or finding the application process too daunting.²² The perceived complexity of the Medicaid application has also been found to be an important cost that reduces use among eligible families.²³ Adding to this burden, benefit offices are often only open during traditional nine-to-five weekday hours, requiring time off from work to apply. Recent research finds that efforts to reduce these costs result in an increase in take-up rates.²⁴ WASC attempts to counter the barriers to participation in several ways:

- **Educating customers about work supports.** WASC staff use a tool developed for the demonstration, the Work Advancement Calculator, to inform customers about supports for which they are eligible. Staff first enter information into the calculator on participant's household income and size. The calculator then presents all the supports for which the participant appears to be eligible and the combined effect of those supports on household income. The calculator can also be used to estimate how changes in earnings will affect the amount of benefit that participants stand to receive.
- **Simplifying enrollment and recertification procedures.** WASC sites have dedicated staff who are responsible for assisting with work support applications for all programs, reducing the need for participants to travel to several different offices and fill out several different applications. WASC seeks to eliminate multiple, sometimes conflicting eligibility requirements by, whenever possible, creating common eligibility criteria for work supports, reducing the number of procedures and face-to-face interviews and the amount of documentation required to enroll in these programs, and extending the intervals between required recertifications for benefits.

¹⁸Berube (2004); Holt (2006).

¹⁹Ross Phillips (2001).

²⁰Remler and Glied (2003).

²¹Bartlett, Burstein, and Hamilton (2004).

²²O'Brien et al. (2000); Ponza et al. (1999).

²³Stuber, Maloy, Rosenbaum, and Jones (2000).

²⁴See, for example, Currie and Grogger (2001); Bansak and Raphael (2007).

Table 1.2 summarizes work support services that are available to WASC participants, compared with those typically available to low-wage workers. The table illustrates that a key benefit of WASC is the availability of one staff person, in one location, to guide the customer through the application process for multiple benefits. Without WASC, in contrast, customers would be required to visit multiple offices, often during work hours, and to wait in long lines to apply. WASC in San Diego represented the biggest change from “business as usual” for the application itself, since Dayton and Bridgeport already had fairly simplified applications. Finally, WASC guaranteed immediate access to child care assistance for all eligible families. This program feature was relevant primarily to the San Diego site, since Dayton and Bridgeport did not have waiting lists for child care assistance. In fact, WASC in San Diego avoided waiting lists entirely by subsidizing clients’ child care with its own discretionary funds.

Offering Employment and Work Supports Assistance in One Place

WASC brings the complementary expertise of staff from the workforce development and welfare systems together under one roof and one unit within the WIA One-Stop Career Center. Colocating staff in this way increases the convenience of taking advantage of available services and may also reduce any stigma associated with receiving work supports, since services are offered within a workforce development agency. Another potential benefit of colocation is that staff may develop new approaches to serving participants as they relinquish their individual agency affiliations and assume a new identity as a unit.

Although colocation of staff from the two agencies is not typical, there has been a move in recent years toward colocation. However, even in One-Stop Career Centers in which staff are colocated, including Dayton, staff from the two agencies are not located within the same unit, as they are under the WASC approach.

Goals and Expected Effects

WASC services are available to participants for two years in San Diego and Dayton, and for 18 months in Bridgeport. The provision of these services should increase earnings and the use of work supports in several ways. Staff should increase participants’ take-up of work supports fairly quickly, by providing information about existing benefits and simplifying the application process. Effects on earnings should occur through several avenues, some of which may take much longer to occur. Career coaches will help some workers stabilize their employment by addressing various barriers to job retention. Staff can help participants navigate advancement opportunities with their current employers, encouraging them to ask for more hours or to pursue promotions. Career coaches might help other participants explore opportunities in different fields and at other employers, eventually leading them to move to better-paying jobs, although these effects may take longer to observe. Finally, WASC might increase earnings

The Work Advancement and Support Center Demonstration

Table 1.2

Work Support Services in WASC Sites Dayton, San Diego, and Bridgeport

Type of Service	Services Available Under WASC	Typical Services Prior to WASC
Education and information	<ul style="list-style-type: none"> - Work Advancement Calculator to estimate eligibility for all relevant work supports 	<ul style="list-style-type: none"> - Not available
Physical access	<ul style="list-style-type: none"> - Flexible office hours, including evenings and weekends; staff available to meet outside the office at convenient locations for customers - Application for all relevant work supports at one location - One staff person determines eligibility for all programs and helps customers with applications - Quick access to a staff person - Face-to-face meeting for food stamp redetermination waived 	<ul style="list-style-type: none"> - Usually open only during standard work hours - Multiple offices, staff, and applications (except in Dayton) - Long waiting lines - Must go to Food Stamp office for redetermination meeting
Application	<ul style="list-style-type: none"> - San Diego: Three-page application for all work supports replaced the 21 pages of applications needed to apply for food stamps, Medicaid, and child care - Dayton and Bridgeport already simplified - San Diego: Deferred requirement for fingerprinting until customer visited a county Food Stamp office 	<ul style="list-style-type: none"> - Multiple applications in San Diego^a - Simplified application in Dayton and Bridgeport - San Diego: Customer required to be fingerprinted immediately
Waiting lists	<ul style="list-style-type: none"> - Immediate access to subsidized child care - San Diego: Child care subsidized using discretionary funds 	<ul style="list-style-type: none"> - Often must join waiting list for subsidized child care, although during WASC implementation, Connecticut and Ohio did not have waiting lists

^aSan Diego began to simplify its work supports application process for all clients during the demonstration.

in the longer term by providing guidance on and financial assistance with education and training programs and help with job placement upon completion of education and training.

The receipt of work supports might also affect earnings by increasing employment retention, in some cases by increasing the payoff to continued work and in other cases by helping participants to weather financial or other emergencies. Work supports are unlikely to encourage advancement, except perhaps through increased employment stability, and may even discourage it if participants fear the loss of benefits as their earnings increase. WASC staff are trained to help participants navigate and anticipate the loss of work supports as they advance.

Although advancement and work supports are two key outcomes in the program, WASC planners assigned advancement a clear priority in terms of the program's ultimate goals, while also recognizing that this outcome may take longer to achieve. The hierarchy of program goals is the following:

- 1. Increased income through earnings alone (long term).** The best outcome is for low-wage workers to substantially increase their household incomes through earnings alone to the point that they are financially better off and no longer in need of — or eligible for — financial work supports. Although some WASC participants might significantly increase their earnings in the short run by moving from part-time to full-time work, for example, such advancement for most workers will likely take longer to achieve. Some may need to achieve employment stability as a first step, while others will enroll in education or training, with longer-term payoffs.
- 2. Increased income through increased earnings and/or work supports (short and medium term).** WASC might also increase household income through a combination of increased earnings and increased use of work supports.
- 3. Continued receipt of work supports for those who are unable to advance over time (long term).** Finally, recognizing that some low-wage workers are unlikely to advance in the labor market, even over extended time periods and even with access to services designed to help them do so, WASC might raise household incomes exclusively through participants' increased use of financial work supports. These supports can help workers sustain their families while they continue to work for low wages.

The WASC Evaluation

The Target Population

WASC recruited two broad and sometimes overlapping target groups: (1) low-wage workers, and (2) reemployed dislocated workers, or those who have lost a job and become reemployed at a lower wage rate. Initially, eligibility was restricted to those earning no more than \$9 per hour, or roughly the twenty-fifth percentile of hourly wages in the United States in late 2004,²⁵ and with household incomes of no more than 130 percent of the federal poverty level. The income cutoff was used to ensure that most people who enrolled in the study would be eligible for the full set of available work supports.

After the pilot phase, however, it became evident that recruiting enough individuals into the study was going to be a major hurdle.²⁶ Several strategies were implemented to assist with recruitment, including raising the eligibility guidelines to a wage cap of \$15 per hour.²⁷ Several months later, the family income threshold was also increased to 200 percent of the poverty line. Although \$15 per hour and 200 percent of poverty is a higher target than program designers had planned, the majority of individuals who were eventually enrolled into the study were earning less than \$10 per hour and had family incomes below 130 percent of the poverty line (see Chapter 2).

Table 1.3 presents income eligibility guidelines for key work supports. The table illustrates that most WASC participants will likely be eligible for nearly the full package of work supports, since in most cases their family income is below the maximum income allowed to receive those supports, although some may be eligible for only one or two.²⁸

WASC also attempted to target a population that had limited prior connection to the welfare system, in order to focus on a group that needed the most assistance with work supports. Accordingly, the eligibility guidelines also stipulated that (1) current recipients of Temporary Assistance for Needy Families (TANF) were not eligible to enroll in the demonstration, even if they were currently working, and (2) a maximum of 50 percent of all WASC sample members in each site could be current food stamp recipients.

²⁵Bureau of Labor Statistics (2006).

²⁶Site staff also noted that the income threshold excluded a large number of low-wage workers who were single adults.

²⁷The initial sample goal was 1,600 individuals per site, but this number was reduced to 1,000 for Dayton and San Diego, and to 700 for Bridgeport.

²⁸Although income is often one of many factors used to determine eligibility (food stamps, for example, also includes an asset test), Table 1.3 provides a rough indication of participants' eligibility.

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Table 1.3

Income Eligibility for Key Work Supports: United States, California, Connecticut, and Ohio

Work Support	Maximum Income as a Percent of the Federal Poverty Level			
	United States	California	Connecticut	Ohio
Federal rules				
Food stamps	130%	—	—	—
EITC (adult with 1 child)	238%	—	—	—
EITC (childless adult)	119%	—	—	—
Child Tax Credit ^a	665%	—	—	—
State rules				
Children's Medicaid	—	100-200% ^b	185%	200%
SCHIP	—	250%	300%	NA ^c
Parents' Medicaid	—	106%	191%	90%
Child care subsidies	—	254%	218%	185%

SOURCES: For food stamps: U.S. Department of Agriculture, Food and Nutrition Services (www.fns.usda.gov/snap/applicant_recipients/eligibility.htm#income). For EITC and Child Tax Credit: Internal Revenue Service, "1040 Instructions: 2008" (Washington, DC: U.S. Department of the Treasury). For Medicaid and SCHIP: The Henry J. Kaiser Family Foundation, "Income Eligibility Levels for Children's Regular Medicaid and Children's SCHIP-funded Medicaid Expansions by Annual Incomes and as a Percent of Federal Poverty Level, 2009" and "Income Thresholds for Jobless and Working Parents Applying for Medicaid by Annual Income as a Percent of Federal Poverty Level, 2009," *Kaiser State Health Facts* (www.statehealthfacts.org). For child care subsidies: Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2007: Some Steps Forward, More Progress Needed*, Issue Brief (Washington, DC: National Women's Law Center, 2007).

NOTES: EITC = Earned Income Tax Credit. SCHIP = State Children's Health Insurance Program.

^aChild tax credit eligibility for a single parent.

^bChildren's eligibility for Medicaid in California varies with the age of the child.

^cOhio does not have a separate SCHIP program.

The Sites

Table 1.4 lists the WASC demonstration sites with the institutions and agencies involved, the related local One-Stop Career Center, and the name of the unit or program that administered the WASC services. MDRC selected the first two sites in the fall of 2003: The Job Center in Dayton, Ohio, serving Montgomery County, and the South County Career Center in Chula Vista, California, part of San Diego County and commonly referred to as the "San

The Work Advancement and Support Center Demonstration

Table 1.4

WASC Demonstration Sites and Participating Offices

City of WASC Site	Institutions and Agencies Involved	Local One-Stop Career Center	Unit/Program Name
Dayton, Ohio	Montgomery County Department of Job and Family Services (MCDJFS)	The Job Center	Move Up (also known as the Career Advancement Unit)
San Diego, California	San Diego Workforce Partnership and the San Diego County Health and Human Services Agency	South County Career Center (operated by Arbor Education and Training in Chula Vista, CA)	Project EARN (Earnings, Advancement, Retention Now!)
Bridgeport, Connecticut	Connecticut Department of Labor, Connecticut Department of Social Services, and The Workplace, Inc.	Southwestern CTWorks Center	The Academy for Career Advancement (The Academy)
Fort Worth, Texas	Workforce Solutions for Tarrant County	Services at employer sites	Project EARN

Diego” site. After an intensive selection and review process, the Southwestern CTWorks Center in Bridgeport, Connecticut, and Workforce Solutions for Tarrant County in Fort Worth, Texas, were chosen as the third and fourth sites. These latter two sites began to pilot the WASC demonstration during the summer and fall of 2006, while the first two sites began their pilots in January of 2005 and have been operating their full programs since the fall of that year. As discussed later, findings from the Fort Worth site will be presented in a forthcoming report.

The institutional starting points for the WASC sites are state or county workforce development and welfare agencies. Across the country, these agencies are very diverse. They vary, for example, in structure, funding streams, and local priorities. In addition, they vary in the clientele they serve and the local labor markets in which they work. Collectively, the WASC sites reflect some of this diversity. These sites will therefore help test the adaptability and feasibility of the WASC program model in different contexts across the United States.²⁹

²⁹See Anderson, Kato, and Riccio (2006) for a fuller description of the WASC sites.

Although the sites received operating funds from MDRC, passed through from the demonstration's funders, they were also expected to dedicate or raise local funds to support service delivery. For example, some sites chose to use WIA formula funds, which came with fairly strict guidelines, or WIA Governor's Discretionary Funds, which allowed the sites more flexibility in the types of services they offered and the customers they served. One site also received funding from the state human services agency, and another site had a diverse set of local funders.

Research Design and Key Research Questions

WASC is being evaluated using a random assignment research design, in which individuals who are eligible for the demonstration are assigned at random, using a lottery-like process, to one of two groups (that, together, make up the research sample): (1) the WASC group, which qualifies them to receive WASC benefits and services; or (2) a control group, whose members are not eligible to receive WASC services but who can seek out existing services for which they are eligible in the community. Random assignment ensures that, on average, the characteristics, backgrounds, and motivation levels of WASC and control group members did not differ systematically at the beginning of the study. Therefore, any significant differences between the two groups in outcomes that emerge over time — such as in work supports receipt and earnings — can be attributed to WASC.

To conduct random assignment, site staff recruited interested individuals into the One-Stop offices, using a variety of methods that are discussed in Chapter 3. Once an individual was determined to be eligible for the study, consented to participate in the research, and filled out a baseline questionnaire, site staff submitted the information online, and an MDRC-created algorithm assigned the individual at random to either the WASC group or the control group. If assigned to the WASC group, the individual typically went directly to an orientation and first meeting with a career coach. Individuals assigned to the control group received a gift card for participating in the study and were escorted to the main One-Stop entrance, where they could access any services for which they were eligible.

The WASC concept represents a promising and potentially transforming innovation in workforce development policy — but one that is largely untested. As such, the evaluation attempts to address a range of questions, from the feasibility of implementing such an ambitious model to an assessment of its ultimate effects. Key questions addressed in this report, covering the implementation experiences in three sites and impacts after one year in two sites, include the following:

- **Implementation.** What were the sites' experiences in setting up and operating WASC? Were they successful in integrating the functions of the workforce development and welfare staff? What challenges did they face in recruiting low-wage workers into the study and engaging them in services?

Were the sites able to make work supports more accessible, while at the same time creating a focus on advancement as the ultimate goal within the unit?

- **Participation.** Did WASC succeed in engaging a substantial proportion of individuals in retention and advancement services and help them access work supports? Did the program assist workers with access to training? To what extent did the program increase service levels above the levels that would “normally” be received, as represented by outcomes for the control group?
- **Impacts.** Did WASC increase low-wage workers’ take-up of work supports? Did it help participants increase their employment and earnings? Did participants advance by increasing their work hours, obtaining wage gains, or changing jobs?

This report discusses the implementation and impact findings for each site separately. Although they were all charged with implementing the same WASC model, they each faced unique conditions in doing so, given their different local contexts. In addition, some sites focused more heavily on certain WASC components than others. Impacts are examined for Dayton and San Diego separately, given the potential implementation differences across sites, the relatively short follow-up period, and the fact that data for Bridgeport are not yet available. Impacts are also estimated for selected subgroups of the full sample. Future reports may estimate program impacts for all sites combined and for additional subgroups of the full sample, including dislocated workers.

Special Topic Study: The Effect of WASC on the Accuracy of Food Stamp Payments

A key concern among the sites at the start of the demonstration was the effect of simplifying the application process for food stamps, which could result in an increase in the number of payments made in error. Given that states are penalized for relatively high error rates, both the San Diego and Dayton sites received a waiver from the U.S. Department of Agriculture’s Food and Nutrition Service, under which WASC cases will not count toward the state’s error rate. In return, MDRC will conduct a separate analysis for the evaluation samples in those sites to assess the effect of WASC on food stamp error rates. The results of this study will be published in 2009.

Findings to Date

The demonstration has produced three reports describing the WASC model and early implementation experiences in Dayton and San Diego.³⁰ Early findings included the following:

³⁰Anderson, Kato, and Riccio (2006); Tessler and Seith (2007); Tessler, Seith, and Rucks (2008).

