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## Temporary Assistance for Needy Families Program — Research Synthesis Brief Series

# Improving Employment and Earnings for TANF Recipients

Gayle Hamilton

- Research shows a clear role for skills enhancement in welfare programs that encourage or mandate certain activities. But it also suggests balancing a focus on job seeking and work with goal-directed education and training.
- Studies have suggested promising programmatic tools, regardless of a program's emphasis: financial incentives to increase job retention and earnings as well as participation in and completion of education and training, experienced job placement intermediaries that can help welfare recipients find and move into better jobs, and high-quality sectoral training with strong employer ties for those who can qualify.

Over the past two decades, federal and state policymakers have dramatically reshaped the nation's system of cash welfare assistance for low-income families. Through national legislation and state-initiated reform and experimentation, policymakers transformed Aid to Families with Dependent Children (AFDC), which became Temporary Assistance for Needy Families (TANF) in 1996. During this period, state approaches to welfare reform have varied considerably. Nevertheless, almost all reform efforts have encouraged adult welfare recipients to work more and, as a result, to reduce their families' long-term reliance on welfare

benefits. In addition, many state welfare programs have incorporated financial incentives that have encouraged work and supplemented the incomes of employed TANF recipients, and have also experimented with ways to help workers—employed TANF recipients and those who leave the TANF rolls with employment—retain employment and advance in the labor market.

This brief draws on a large body of evidence from rigorous studies of welfare-related initiatives to highlight several strategies found effective in increasing employment and earnings among welfare recipients. It addresses such questions as: Is requiring

A number of  
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employment.

immediate job placement more effective over the long run than requiring immediate education or training? What has been the role and effectiveness of subsidized employment? What have been the effects of sectoral training initiatives? How have financial incentives been used to encourage work and earnings and have they been effective? What have been the effects of efforts to specifically encourage retention in work and growth in earnings over time?

The studies drawn upon in this brief all used random assignment (experimental) research designs, which allow the effects of strategies to be disentangled from the effects of other factors, such as the economy. In this research design, often referred to as the gold standard because it is more rigorous than any other, individuals who meet programs' eligibility requirements are randomly assigned to either a program group or a control group. Those in the program group are eligible for the new initiative; those in the control group are not. Individuals in both groups are followed, and information is collected on their employment and other outcomes of interest. Random assignment eliminates systematic differences between the research groups in individuals' characteristics, measured or unmeasured (for example, motivation). Thus, any statistically significant differences between the groups that emerge after random assignment—for example, in employment rates or average earnings—can be attributed to the initiatives under study.

Although some of the studies covered here were launched prior to the 1996 establishment of TANF, their findings remain relevant today. None of the reported research, however, was conducted during the recent economic recession in the United States.<sup>1</sup> Moreover, the included studies examined particular questions and the effects of specific strategies—not the effects of systemically changing the welfare system or altering labor market

conditions. As discussed extensively elsewhere, TANF caseload declines from the mid-1990s to the mid-2000s were influenced by the work-focused rules in welfare reform legislation as well as an unusually favorable economic climate and other policy changes. The smaller TANF caseloads renewed interest in strategies for helping harder-to-employ individuals—initiatives not discussed here but covered in a related brief.<sup>2</sup>

Following an overview of recent employment patterns among TANF recipients, this brief discusses effectiveness findings for three somewhat overlapping dimensions of strategies: program components, including job search, education, subsidized work, and sectoral training; financial incentives; and efforts to facilitate work retention and increase earnings.

### Employment and Earnings Patterns for Recent TANF Recipients

Statistics show that, among adult TANF recipients, about a quarter hold an unsubsidized job while receiving TANF.<sup>3</sup> Over time, many current or former TANF recipients—as many as 88 percent of one group followed for five years—hold unsubsidized jobs, but employment loss is frequent as well.<sup>4</sup> Finally, while employment is common, earnings increases are not: an examination of more than 27,000 single parents who were current or recent TANF recipients during 2001 through 2004 indicated that only one in four experienced a sizeable increase in earnings over a three-year follow-up period.<sup>5</sup> These patterns occur against a backdrop of employment rates for single mothers rising in the 1990s (from about 67 percent to 78 percent) and declining in the next decade (to about 67 percent in 2010).<sup>6</sup>

The following discussion indicates how selected strategies *changed* the employment and earnings patterns that were “normal” at the time the studies were conducted. In other words, the following “effects” or “increases” do

not represent how individuals' employment or earnings improved over time. Rather, given the studies' random assignment research designs, the effects represent how specific strategies altered usual patterns—in the case of employment, generally increasing rates by 5 to 10 percentage points—and thus suggest strategies that hold promise for improving employment and earnings in the future.

### Effects of Different Program Components

This section examines research on several often used program components: job search, education, subsidized work, and specialized training.

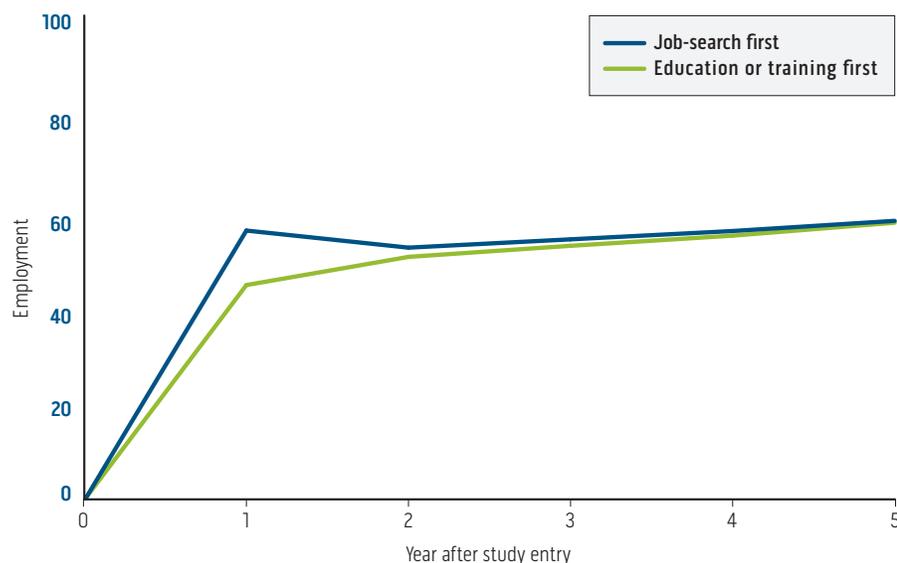
#### Which Is More Effective—Emphasizing Initial Mandatory Job Search, Initial Mandatory Education and Training, or a Mixed Strategy?

Even without any special welfare-to-work programs, many low-income people engage in job-search activities or enroll in school or training to improve their prospects. Large-scale research has examined whether it is better to *require* welfare recipients to initially participate in one work-promoting activity or another.

Studies in the 1990s directly compared mandatory job-search-first and mandatory education-or-training-first programs in the same sites. The job-search-first approach emphasized immediately assigning people to short-term job-search activities with the aim of getting them into the labor market quickly. The education-or-training first approaches emphasized basic or remedial education, GED preparation, and to a lesser extent, vocational training (not college) before steering participants toward the labor market.<sup>7</sup>

Both approaches increased employment and earnings compared with having no program, when measured over a five-year follow-up period. But the former program got people into jobs sooner, as shown in

**Figure 1. Employment Rates for Sample Members in Mandatory Job-Search-First and Mandatory Education-or-Training-First Programs (percent)**



Source: Hamilton et al. (2001).

Notes: Shown here are averages for sample members in the Atlanta, Grand Rapids, and Riverside programs. The Riverside sample includes only those who lacked a high school diploma or a GED at study entry.

figure 1, and while people in the latter type eventually caught up by the fifth follow-up year, the education-or-training-first programs did not ultimately increase the likelihood of holding a “good” job (as of the fifth year of follow-up), get a higher proportion of people into jobs, or boost earnings growth (up to 15 years later). In addition, education-or-training-first programs cost more than job-search-first. These findings held true for high school graduates and nongraduates alike.<sup>8</sup>

An indirect comparison, however, of the above two strategies with a third—a mixed strategy, with some people urged to get a job quickly and others initially required to enroll in work-focused, short-term education or training—showed this having the best results.<sup>9</sup> In the mixed-approach program, most services were provided by local community colleges and were of high quality. The

program was strongly employment focused: staff communicated that the primary goal was to help people move into jobs, and job search was the most common activity. However, in contrast to many employment-focused programs, participants were encouraged to look for and take “good” jobs—full-time, paying above the minimum wage, with benefits and potential for advancement. Also in contrast to many strongly employment-focused programs, staff assigned many people to short-term education, vocational training, work experience, and life-skills training to improve their employability.<sup>10</sup>

Much literature suggests the importance of voluntary skills building to improve families’ economic status, particularly when credentials are earned.<sup>11</sup> The above results show a clear role for skills enhancement in welfare programs in which certain activities are encouraged or mandated. But they also

suggest that a focus on job seeking and work, balanced with goal-directed education and training, is desirable. Along with findings from related studies, these findings also suggest more exploration is needed into the types of skill-building activities that are best encouraged and the ways in which these can be beneficially structured, targeted, and encouraged.

### What Has Been the Role and Effectiveness of Subsidized Work?

Subsidized employment refers generically to many different models that use public funds to create or support temporary work opportunities. Some programs are designed primarily to provide work-based income support during cyclical periods of high unemployment. A subset is designed not only to provide short-term income support, but also to improve individuals’ ability to get and hold unsubsidized jobs in the long term. These programs typically target very disadvantaged groups—people who struggle even when the labor market is strong—and include a broader set of supports and ancillary services than the counter-cyclical models.<sup>12</sup> Evaluations indicate that, when operated to transition disadvantaged individuals into employment, these programs boost employment (subsidized or unsubsidized) in the short term but rarely improve unsubsidized employment or earnings in the longer term.

Results from subsidized employment programs in the 1980s suggest that programs achieving longer-term effects tended to be those with strong links to regular employment.<sup>13</sup> On-the-job training models operated in Maine and New Jersey, for example, placed welfare recipients directly into regular jobs and subsidized their wages during the first several months.<sup>14</sup> In the AFDC Homemaker Home Health Aide model, volunteering welfare recipients received four to eight weeks of training, followed by placement of up to one year in subsidized positions in regular work environments.<sup>15</sup>

All these programs increased earnings, although gains in unsubsidized employment were not as universal or striking.<sup>16</sup>

Some more recent subsidized employment initiatives targeted to welfare recipients have taken the form of transitional jobs programs, defined as providing temporary, wage-paying jobs; offering support services and some case management; and providing job-placement services, although program features can vary. Rigorous research on recent transitional jobs programs is available for only one program—Philadelphia’s Transitional Work Corporation initiative, in which participants began with a preemployment class, were then placed in a transitional job (usually with a nonprofit), and finally worked with a job developer to find a permanent position. The findings suggest that such initiatives can be operated at scale, can create useful work opportunities, and can lead to indirect effects, such as welfare receipt reduction. The program, however, raised employment rates during or for a limited period after participation in the subsidized job, but did not improve welfare recipients’ longer-term unsubsidized employment or earnings within a four-year follow-up period.<sup>17</sup>

### What Have Been the Effects of Sectoral Training Initiatives?

The promise of connecting employment programs with business sectors has been much discussed in the literature.<sup>18</sup> Sector strategies target specific industries and seek to improve opportunities for workers while also helping businesses fill their needs and compete in the marketplace. This strategy thus serves two customers and has the potential to foster changes in industry practices and education and training systems. Only one study, however, has rigorously tested the effects of sector-based training for low-income individuals.

This evaluation examined three small-scale voluntary programs serving about 100 people per year and targeting a highly

screened segment of low-income individuals: those with an interest in and aptitude for specific careers, almost all of whom had a high school diploma or a GED (in contrast to the general TANF adult caseload, of which about half has either credential). Program operators were not TANF agencies (they included a community-based organization, a social venture, and an association of area employers and unions), but about a quarter of enrollees were receiving TANF at program start. Services included integrated skills training tied to specific sectors—for example, medical and basic office skills, information technology, health care, and manufacturing—and job-matching assistance to employers in those industries. The full evaluation follow-up was only for two years but the programs increased employment and earnings over that period and, in the second follow-up year, employment stability, suggesting the promise of programs that focus on particular occupational sectors.<sup>19</sup>

The three sector programs are distinguished from the mandatory education-or-training-first programs discussed earlier by the characteristics of those targeted, the programs’ voluntary nature, the specific vocational skills imparted, and employer connections. In addition, given their small scale, these programs could be only one of several approaches used by a state or locality. But the programs’ success suggests the potential benefits of close ties between training agencies and specific employers, in addition to benefits from the skills imparted to graduates. Other experimental research<sup>20</sup> provides additional evidence that employment programs’ effectiveness can be strengthened through close connections with employers.

### Effects of Financial Incentives

Rigorous studies of financial stipends or bonuses to facilitate a variety of behaviors have often found they can have powerful effects. The effects of programs that conditioned

financial incentives on two areas of behavior—employment and employment retention, and progress in education or training programs—are discussed here.

### What Are the Effects of Incentives to Encourage Employment and Employment Retention and to Supplement Work Income?

A number of random assignment studies have shown that supplementing low-wage workers’ earnings can promote employment.<sup>21</sup> Several first-generation programs operated in the 1990s increased employment, as illustrated by the impacts in figure 2, as well as earnings. The Minnesota Family Investment Program (MFIP), for example, allowed employed welfare recipients to keep up to \$250 more of their monthly grants when they went to work.<sup>22</sup> The New Hope project, implemented in two Milwaukee inner-city areas, offered low-income full-time workers several benefits: an earnings supplement, subsidized health insurance and child care, and, if needed, referrals to wage-paying community service jobs.<sup>23</sup> Canada’s Self-Sufficiency Project (SSP), operated in two provinces, offered a monthly earnings supplement to single-parent welfare recipients if they worked full-time.<sup>24</sup> However, effects tended to fade for the full targeted groups, generally prior to the supplement eligibility ending—but not for all subgroups.<sup>25</sup>

More recent evaluations suggest that longer-lasting effects may be attainable. The Corpus Christi site operating the Texas Employment Retention and Advancement (ERA) program, for example, offered a monthly stipend of \$200 to former recent TANF recipients working at least 30 hours a week, in addition to job-coaching services. A similar program in the United Kingdom—UK ERA—offered several groups receiving government income support a combination of job coaching and financial incentives tied to retaining full-time employment.

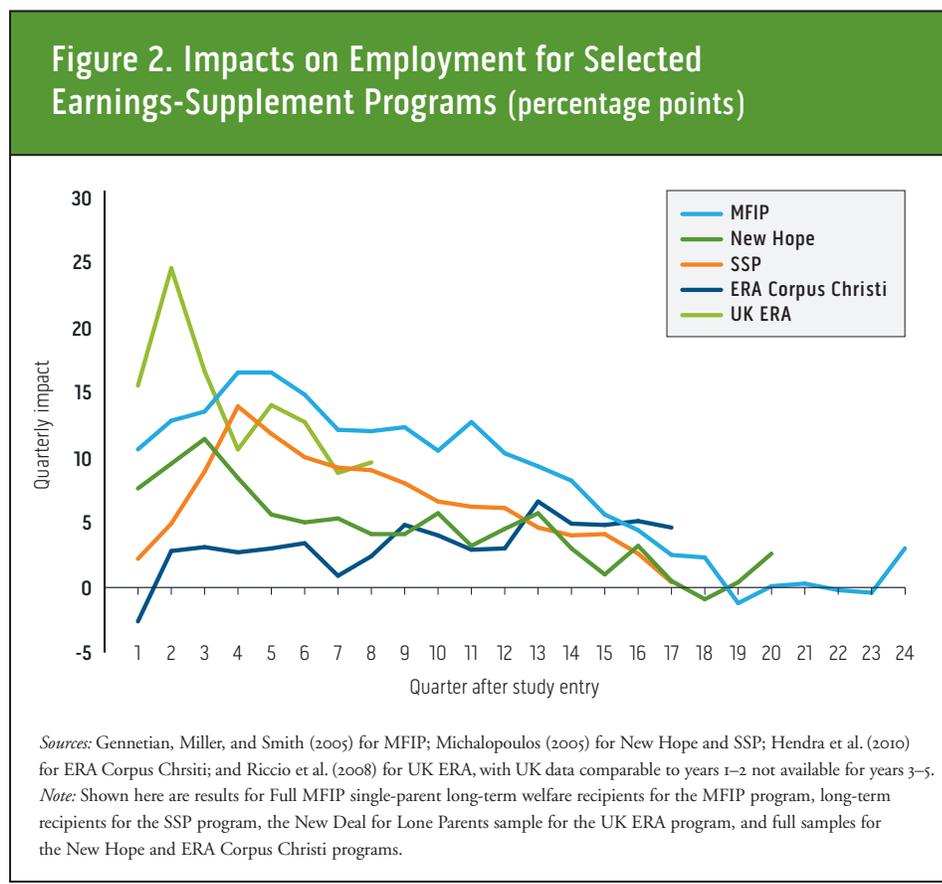
Both programs increased employment, as shown in figure 2, as well as earnings (in the case of UK ERA, just for the first two follow-up years for single mothers but emerging later and into the fifth year for single men), with the effects for the Corpus Christi program lasting into the final available year of follow-up—year four, well beyond the period the incentive was offered. Both programs produced some increases in employment retention as well.<sup>26</sup>

Taken as a whole, earnings-supplement programs' employment effects have been larger when the incentives have been combined with job-search services. Research also suggests that supplement design can affect families' decisions about how many hours to work, by explicitly supplementing part-time or full-time work and by allowing individuals to work less and still maintain their incomes. While more research is needed, there are clearly potential trade-offs when deciding whether to provide incentives only for full-time work or for all work.<sup>27</sup>

### What Are the Effects of Incentives to Encourage Progress in Education or Training (and to Offset Expenses)?

Increasing human capital is generally viewed as a promising way to help individuals acquire and sustain employment and foster earnings growth. While a large proportion of TANF recipients enroll in courses on their own—without any prodding from welfare-to-work programs—persistence in and completion of education and training is the exception rather than the rule. Thus, some programs have offered financial assistance conditioned on beginning, persisting in, and completing education and training. Research does suggest that conditional incentives can increase education and training; the effects of such incentives on longer-term employment and earnings, however, are not yet clear.

UK ERA also offered tuition assistance if participants undertook training while



employed and awarded a bonus to those who completed training. Within a five-year follow-up, UK ERA increased enrollment but not completion, as measured by degree or certificate receipt rates, for the full sample. The Dayton site in the Work Advancement and Support Center (WASC) demonstration similarly offered payment contingent on participation in education or training while working (as long as a minimum grade point average [GPA] was maintained), as well as a bonus for completing courses with a credential and another if course completion led to a job promotion. Within a currently available one-year follow-up period, the Dayton program increased education and training as well as credential receipt; possible effects on employment and earnings await longer follow-up.<sup>28</sup> Finally, some programs have offered scholarships to low-income community college students—many of whom were

single parents and receiving some income-related government benefits—for meeting certain benchmarks, such as maintaining half-time enrollment and a satisfactory GPA. These performance-based scholarship programs have increased full-time enrollment and credits earned, and one increased persistence in college. Economic effects, however, have not been measured for these programs.<sup>29</sup>

### Efforts to Encourage Retention in Work

While the chances that TANF recipients will find unsubsidized employment over time are high, current and former recipients have trouble maintaining employment and consistently earning wages that will lift them out of poverty. A number of initiatives have sought to improve employment retention and earnings by offering a variety of services—job-search assistance for reemployment after a

job loss or for finding a better job, job coaching for employed individuals, referrals to education or training, financial incentives linked to sustained employment or education and training, and assistance in accessing work supports such as food stamps and child care.

The first major study of such initiatives was the Postemployment Services Demonstration (PESD). PESD examined mid-1990s programs, targeted to newly employed welfare recipients, that offered counseling and support; job-search assistance; resolution of government benefits issues; referrals to child care, training or education programs, legal aid, or specialized counseling; and more frequently, larger and flexible payments for work-related expenses. In practice, the most commonly used services were counseling and work-expense payments. The programs had little to no effect on employment retention or earnings.<sup>30</sup>

Substantial additional research occurred through the national ERA project, which examined a dozen innovative and diverse models developed by states and localities and aimed primarily at current and former TANF recipients. Three programs increased employment retention and earnings.<sup>31</sup> One of these was the Texas ERA program discussed above, which targeted unemployed TANF recipients. The other two programs targeted employed individuals—TANF recipients in a Chicago program that steered people to higher-paying jobs using its employer connections, and TANF leavers in a Riverside program that offered services, primarily through community-based organizations. Economic impacts in the latter two programs were driven, in part, by increases in the proportion of people who obtained a new job and not by increases in the proportion retaining the job they held as of study entry, suggesting the advantage of *employment* retention over specific *job* retention. The lack of impacts for nine other programs studied as part of ERA, however, indicates a need to test additional new program ideas.

Taken together, the PESD and ERA results—as well as the UK ERA, sector-focused training, and WASC results—point toward what might and might not be promising employment retention strategies. Promising approaches include financial incentives for employment retention, along with job coaching (supported by the ERA Corpus Christi and UK ERA results), involving providers or staff with close ties to employers (supported by results from Chicago ERA and sector-focused training initiatives, and further supported by nonexperimental analyses within ERA), and, possibly, using community-based organizations to provide services (supported by the results for the Riverside ERA program, but with evidence not as solid).

ERA also suggests advantages to assisting people with job-to-job transitions and with quick reemployment after job loss, rather than specific job retention. Finally, the research indicates what might *not* be effective: by themselves, individual counseling and referrals to services that help people stay in their jobs—without other additional services such as specific incentives, individualized job placements, or direct connections to employers—do not appear to promote employment retention and earnings increases.

### Areas for Further Consideration

While the above-cited studies highlight strategies that increased employment and earnings, the increases were rarely what might be considered transformational. This is largely because many approaches have effectively placed people into jobs but have not prevented interruptions in employment or fostered wage progression. Thus, a continued search for new, potentially more effective strategies—and rigorous testing of their feasibility and effectiveness—seems warranted. Taking into account hypotheses for why some tested programs were and were not effective, as well as current activities and interests of states

and other service providers, additional approaches, some overlapping, are described below. Although it will be some time before impact studies in these areas can be completed, experiences in implementing these approaches may be informative as they emerge.

#### Adopting a career pathways framework.

Career pathways can be defined as “a series of connected education and training programs and support services that enable individuals to secure employment within a specific industry or occupational sector, and to advance over time to successively higher levels of education and employment in that sector. Each step ... is designed explicitly to prepare for the next level of employment and education.”<sup>32</sup> Programs using this framework generally offer academic, occupational, and life-skills training that employers value, financial and supportive services, and defined links to employment opportunities, with a goal of moving individuals up career pathways.<sup>33</sup> Some research initiatives examining these programs are already under way. The Administration for Children and Families (ACF), for example, is funding the Innovative Strategies for Increasing Self-Sufficiency project, which is testing nine career-pathways approaches aimed at increasing access to and success in postsecondary education. Another ACF-funded effort is evaluating health care–related education and training programs operated using Health Profession Opportunity Grants, targeted to TANF recipients and others.

**Combining into a single program several features already shown to be effective.** Such a program might include financial incentives (to promote work as well as skill building), sector-focused training, and strong connections to employers in specific industry sectors. Research could ascertain the effectiveness of such a program as well as the segments of the low-income populations for whom the program was most and least effective. One initiative embodying at least some of these features

is being funded as part of a Social Innovation Fund grant. Training programs in several sectors are being implemented at a larger scale than previously, as well as in different settings and focusing on different sectors, and will be rigorously evaluated.

**Providing longer-term subsidized employment, combined with sector-focused skills training.** Testing would indicate whether lengthened subsidized employment paired with skills training, perhaps also including financial incentives and strong employer connections, could better position individuals to transition into unsubsidized employment and to retain such employment longer. A related approach—apprenticeship programs, in which individuals are trained on the job, practice their skills in real work

assignments, and are paid wages that typically increase over time—would benefit from rigorous evaluation too. Two current initiatives are the ACF-funded Subsidized and Transitional Employment Demonstration, which will evaluate up to seven subsidized employment programs targeting current, former, or potential TANF recipients, low-income noncustodial parents, and others; and the Department of Labor-funded Enhanced Transitional Job Demonstration, which will fund and evaluate, in seven sites, transitional jobs programs targeting either noncustodial parents or former prisoners.

**Providing services to TANF recipients through different institutions.** While difficult to mount, evaluations assessing service providers’ effectiveness—TANF agencies,

workforce development agencies, community colleges, community-based organizations, for-profit groups, and others—could shed light on an operational issue of key importance to policymakers and program administrators.

In sum, while a number of strategies have been effective in helping adult welfare recipients enter employment and increase their earnings—either through working more hours or weeks or through wage increases—much remains to be learned about how best to increase the self-sufficiency and financial well-being of low-income parents. ■

## Notes

1. Research shows that, all other things being equal, the effects of welfare-to-work programs—at least in terms of earnings—decline when unemployment rises (Bloom, Hill, and Riccio 2001).
2. Bloom, Loprest, and Zedlewski (2011) in this series. Random assignment-based findings for an intensive initiative in rural Nebraska that provided home visiting and life-skills education to TANF recipients with serious obstacles to work and skill deficiencies (reported in Meckstroth et al. 2009) are included in the Bloom et al. brief, since the program’s effects were concentrated among those “very hard to employ.”
3. U.S. Department of Health and Human Services (2011), table 30.
4. A study of New Jersey TANF recipients receiving assistance in 1997 and 1998, for example, found that 88 percent were employed at some point over five years after enrolling in TANF (whether or not receiving assistance) but about three-quarters of those employed lost employment during this same five-year period. See Wood, Moore, and Rangarajan (2008). For individuals who left TANF, slightly more than half (56 percent) of a 2002 sample reported leaving due to work: they found a job, they worked more hours on the same job, or their earnings increased for another reason. See Acs and Loprest (2007).
5. Miller, Deitch, and Hill (2011).
6. Blank and Schmidt (2001) and Bureau of Labor Statistics data (<http://www.bls.gov/news.release/pdf/famee.pdf>).
7. In the education-or-training-first programs, those who lacked a high school diploma or GED were generally referred to basic education courses, including remedial instruction in reading and math, English as a second language classes, or preparation for the GED test. Those with a high school diploma or GED were generally referred to vocational training, rather than to degree-producing, postsecondary academic courses.
8. Hamilton (2002); and, for long-term follow-up, Freedman and Smith (2008).
9. This finding is also supported by a synthesis of findings across 20 programs evaluated using random assignment designs, including these 1990s programs as well as some operated in the late 1980s. Out of the 20, the two most successful programs were the “mixed strategy” one noted here and a 1980s program with a similar approach (Gueron and Hamilton 2002).
10. Assignments to academic college courses (as opposed to vocational training courses) were not permitted as part of this program. In the second half of the program’s five-year follow-up period, however, the program did increase the proportion of people who took at least one college course for credit. Data indicate that this increase likely was driven primarily by welfare recipients’ increased exposure to the community college system while they were participating in job search and other program activities earlier in the follow-up period, rather than by specific actions taken by program staff. In addition, the timing of these college course participation increases makes it highly unlikely that they were related to the program’s large earnings effects earlier in the five-year follow-up period. See Hamilton (2002) for more details on these patterns.
11. Hamilton and Scrivener (forthcoming) in this series.
12. Bloom (2010).

13. Ibid.
14. Auspos, Cave, and Long (1988); Freedman, Bryant, and Cave (1988).
15. Bell and Orr (1994).
16. Community work experience—or workfare—programs were also developed in the 1980s. Rather than subsidizing jobs, they required recipients to work in community service in exchange for benefits. The few studies able to isolate the impact of such unpaid experience found little evidence that it increased employment or earnings. The evaluations generally did not count the work experience as employment. See Brock, Butler, and Long (1993).
17. Bloom (2010); Bloom et al. (2009); and Jacobs and Bloom (2011). A similar pattern of results was found in a random assignment study of four programs that provided temporary subsidized jobs, support services, and job placement help to men who had recently been released from prison, less than 10 percent of whom were receiving TANF benefits (Redcross et al. 2010).
18. For example, work conducted by the Aspen Institute (Conway 2007).
19. Maguire et al. (2010). Pooled earnings impacts for the three programs were large and of a similar magnitude, in percentage increases relative to the control group, as those achieved over four years by the Texas ERA program (discussed below) and approached the magnitude of those over five years for the mixed-strategy program. It is unknown whether the sector program impacts would have grown or diminished if follow-up beyond two years had been possible.
20. See the evaluation of the Chicago ERA program (Hendra et al. 2010), discussed below.
21. In some of these programs the supplemental income also improved children’s well-being (Michalopoulos 2005).
22. Gennetian, Miller, and Smith (2005).
23. Huston et al. (2003); Miller et al. (2008).
24. Michalopoulos (2005); Michalopoulos et al. (2002).
25. Over a seven- to eight-year follow up, for example, New Hope impacts did not fade for individuals with moderate barriers (Miller et al. 2008).

26. See Hendra et al. (2010) for the Texas results and Hendra et al. (2011) for the UK ERA results. Additional recent evidence on incentives is available from a study of the Family Rewards program within the Opportunity New York City project. While this conditional cash-transfer program is targeted to poor families and not necessarily to TANF recipients, results from midway through the three-year intervention show increases in parents’ full-time employment (Riccio et al. 2010).
27. See Martinson and Hamilton (2011) for more discussion of such trade-offs. Regardless, financial incentive programs are an efficient means for increasing income: program participants gain more than a dollar for every dollar government invests in the programs (Greenberg, Deitch, and Hamilton 2009).
28. Miller, Tessler, and Van Dok (2009).
29. Cha and Patel (2010); Richburg-Hayes, Sommo, and Welbeck (2011); Richburg-Hayes et al. (2009).
30. Rangarajan and Novak (1999).
31. Hendra et al. (2010).
32. Jenkins and Spence (2006, 2).
33. See <http://www.projectisis.org/project.html> for a depiction of this framework. Washington State’s I-BEST uses such a framework: a basic skills instructor and an occupational instructor team-teach occupational courses with integrated basic skills content in areas such as nursing and allied health, computer technology, and automotive technology. A quasi-experimental evaluation of I-BEST indicated that, over two years, most examined educational outcomes for I-BEST basic skills students were better than those of other basic skills students taking occupational courses, but at this point in follow-up there were no differences between the two groups in the few labor market outcomes examined (Zeidenberg, Cho, and Jenkins 2010).

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