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The Employment Retention and Advancement Project

Results from the Personal Roads to Individual Development and Employment (PRIDE) Program in New York City

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This report presents interim results from an evaluation of New York City’s Personal Roads to Individual Development and Employment (PRIDE) program, a large-scale welfare-to-work program for recipients who are considered “employable with limitations” owing to medical or mental health conditions. The PRIDE evaluation is part of the national Employment Retention and Advancement (ERA) project. Conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services, the ERA project is testing 15 innovative programs across the country that aim to promote steady work and career advancement for current and former welfare recipients and other low-wage workers. MDRC, a nonprofit, nonpartisan research organization, is conducting the ERA project under contract to ACF and is producing a similar interim report for each site in the project.

PRIDE operated from 1999 to 2004, serving more than 30,000 people. In 2004, it was replaced by a new program, WeCARE (Wellness, Comprehensive Assessment, Rehabilitation, and Employment) that builds on the PRIDE model. PRIDE has national relevance because many states are looking for effective models to assist the hardest-to-employ welfare recipients, including those with health-related barriers to employment. Such models may be particularly important in the wake of recent changes in federal law that require many states to substantially increase the share of welfare recipients who are engaged in work activities.

Origin and Goals of the PRIDE Program

Work requirements for welfare recipients have existed for many years, but, until the 1990s, a large proportion of recipients were exempted from these mandates. During the past decade, many states have dramatically extended the reach of their welfare-to-work programs. In fact, about a third of states have adopted a “universal engagement” philosophy under which all

recipients of Temporary Assistance for Needy Families (TANF) are expected to participate in work-related activities.¹

New York City has been particularly aggressive in applying work requirements to a very broad share of the welfare caseload. As part of this effort, the city's Human Resources Administration (HRA) — the agency responsible for TANF and a range of other social welfare programs and services — has developed a number of welfare-to-work programs that tailor services to meet the needs of “special populations.” PRIDE was one of the earliest and largest of these specialized programs.

The PRIDE Evaluation

As in the other ERA sites, MDRC is using a random assignment research design to assess the effectiveness of PRIDE. From late 2001 to late 2002, just over 3,000 welfare recipients with work-limiting medical conditions were assigned, at random, to one of two groups: the PRIDE group, which was required to participate in the program in accordance with citywide rules in effect at the time, or the control group, which was neither required nor permitted to participate in PRIDE. In effect, the control group was subject to the policies that existed before PRIDE was created, when recipients with work-limiting medical conditions were exempt from work requirements but could seek out services on their own. Control group members could have been required to participate in work activities during the study period if they were reevaluated and found to be fully employable (that is, if their medical condition improved).

MDRC is tracking both groups using data provided by the City and State of New York that show each individual's monthly welfare and food stamp benefits and any employment in jobs covered by the New York State unemployment insurance (UI) program.² Two years of follow-up data are available for each person in the analysis. In addition, a survey was administered to a subset of PRIDE and control group members about one year after they entered the study.

Because individuals were assigned to the PRIDE group or to the control group through a random process, the two groups were comparable at the start. Thus, any significant differences that emerge between the groups during the study's follow-up period can be attributed to the PRIDE program; such differences are known as the *impacts* of PRIDE.

The PRIDE Target Population

PRIDE was designed for recipients who, according to an HRA medical evaluation, were deemed to have medical or mental health conditions that were too severe to allow participation in

¹LaDonna Pavetti, “The Challenge of Achieving High Work Participation Rates in Welfare Programs,” Welfare Reform and Beyond Brief 31 (Washington, DC: Brookings Institution, 2004).

²Certain kinds of jobs — for example, military and other federal government jobs, self-employment, and jobs in other states — are not covered by the New York State UI system. It is also important to note that work experience placements, which are unpaid, are not included in the UI system.

regular welfare-to-work activities but were not severe enough to make these individuals eligible for federal disability benefits. Officially, this population was deemed “employable with limitations.”

Not surprisingly, these recipients were quite disadvantaged. Only about 20 percent of the single-parent study participants worked in a UI-covered job within the year prior to study enrollment. When they were surveyed a year after study entry, 73 percent described their health as “fair” or “poor”; 45 percent were classified as obese; and 46 percent reported that pain interfered with their work “a lot.” The most common medical problems were orthopedic ailments, mental health conditions, high blood pressure, and asthma. In addition, staff reported that many participants had very low literacy levels and/or did not speak English.

PRIDE served both recipients of TANF benefits, who are mostly single parents, and childless adults, who receive assistance through the state and locally funded Safety Net program. This report focuses mainly on PRIDE’s impacts for single parents.

Key Findings on Program Implementation

- **Despite a number of operational challenges, PRIDE was able to deliver employment services to a large and highly disadvantaged group of welfare recipients who had previously been exempt from work requirements.**

PRIDE was a hugely ambitious program, involving complex linkages among HRA, the state vocational rehabilitation (VR) agency, and nonprofit organizations that were contracted to conduct medical evaluations and deliver specialized employment services. PRIDE’s implementation exposed important philosophical differences among the partners, particularly the welfare and VR systems.

Because PRIDE targeted a vulnerable population, a complex, multistep process was used to identify recipients who met the program criteria, assess their medical conditions and other employment barriers, and assign them to appropriate activities. Not surprisingly, there were some bottlenecks, and many PRIDE group members did not start participating in program activities until several months after entering the study. Ultimately, HRA data show that about half the PRIDE group were assigned to a PRIDE employment activity within two years after study entry. Many of the others were later reevaluated and were found to be fully employable (and, presumably, were assigned to regular welfare-to-work activities), while others may have been fully exempted. This pattern of changing statuses reflects the reality of working with individuals whose chronic medical conditions wax and wane over time.

- **The PRIDE group was substantially more likely than the control group to participate in work experience placements and job search activities, two of the main components of PRIDE.**

PRIDE’s employment services were generally similar to those provided in New York City’s regular welfare-to-work program. The key difference was that, in PRIDE, staff tried to

ensure that participants were assigned to activities that took account of their medical conditions and limitations on activities. PRIDE did not provide or monitor medical treatment.

Although there was some variation in assignments, most PRIDE participants were required to work for 20 to 25 hours per week in exchange for their welfare benefits. This activity — known locally as “work experience” — has been a central feature of welfare-to-work programs in New York City for many years, although, in PRIDE, participants were placed in special work experience positions that were appropriate, given their medical conditions. Many PRIDE participants also attended educational activities, such as English as a Second Language (ESL) classes, and most received job search assistance in a group or individual format.

According to data from the ERA 12-Month Survey, about 41 percent of the PRIDE group reported that they had participated in a group job search activity, and 33 percent reported that they had worked in a work experience position. The corresponding figures for the control group were 20 percent and 14 percent, indicating that PRIDE substantially increased participation in both types of activity. Interestingly, although educational activities were a core feature of the program, survey respondents in the PRIDE group were no more likely than those in the control group to report that they had attended education or training.

- **A large proportion of the PRIDE group failed to comply with program requirements, and about one-third had their welfare grant reduced at least once as a penalty for noncompliance.**

Program staff reported that recipients frequently did not show up for assigned activities. Indeed, according to HRA’s tracking system, about 75 percent of the PRIDE group were considered out of compliance at some point within two years after random assignment. Most of these instances of noncompliance related to PRIDE’s requirements, so it is not surprising that the corresponding figure for the control group was much lower, about 10 percent.

A similar pattern is evident with regard to sanctions (penalties for noncompliance). Within two years of random assignment, about 32 percent of the PRIDE group and 8 percent of the control group were sanctioned. (HRA data show that the sanctioning rate for PRIDE clients may have been lower than the rate for the general TANF population during this period.)

Key Findings on Program Impacts

- **PRIDE generated increases in employment throughout the two-year follow-up period. Nevertheless, most people in the PRIDE group did not work, and many of those who did work lost their jobs fairly quickly.**

Table ES.1 shows outcomes on employment and income for single parents in the PRIDE and control groups during Years 1 and 2. The top panel shows that 34 percent of the PRIDE group and 27 percent of the control group worked in a UI-covered job within two years after entering the study. (Work experience placements are not included in these figures.) The

The Employment Retention and Advancement Project

Table ES.1

**Years 1 and 2, Impacts on UI-Covered Employment and Public Assistance
for Single Parents**

New York City PRIDE

Outcome	PRIDE Group	Control Group	Difference (Impact)	P-Value
<u>Years 1 and 2</u>				
Employment (%)				
Ever employed	33.7	26.5	7.2 ***	0.000
Average quarterly employment	15.7	12.8	2.9 ***	0.004
Employed 8 consecutive quarters	3.2	2.9	0.2	0.725
Income (\$)				
Earnings ^a	3,536	2,982	554 ^a	NA
Amount of cash assistance received	10,732	11,550	-818 ***	0.000
Amount of food stamps received	6,256	6,386	-130	0.123
Total measured income ^{a, b}	20,455	21,016	-562 ^a	NA
<u>Year 1</u>				
Employment (%)				
Ever employed	23.0	18.7	4.3 ***	0.004
Average quarterly employment	13.1	11.3	1.8 *	0.065
Employed 4 consecutive quarters	5.5	4.7	0.7	0.384
Income (\$)				
Earnings ^a	1,330	1,167	163 ^a	NA
Amount of cash assistance received	5,806	6,100	-293 ***	0.001
Amount of food stamps received	3,301	3,334	-34	0.395
Total measured income ^{a, b}	10,396	10,658	-262 ^a	NA
<u>Year 2</u>				
Employment (%)				
Ever employed	27.1	22.0	5.1 ***	0.002
Average quarterly employment	18.3	14.3	4.0 ***	0.001
Employed 4 consecutive quarters	9.8	7.9	1.9 *	0.092
Income (\$)				
Earnings ^a	2,206	1,815	391 ^a	NA
Amount of cash assistance received	4,925	5,450	-525 ***	0.000
Amount of food stamps received	2,956	3,052	-96 *	0.072
Total measured income ^{a,b}	10,058	10,358	-300 ^a	NA
Sample size (total = 2,648)	1,553	1,095		

(continued)

Table ES.1 (continued)

SOURCES: MDRC calculations from unemployment insurance (UI) wage records from the State of New York and public assistance records from New York City.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Rounding may cause slight discrepancies in calculating sums and differences.

A two-tailed t-test was applied to differences between outcomes for the program and control groups.

Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

"Years 1 and 2" refers to Quarters 2 to 9. Quarter 1 is the quarter in which random assignment took place.

Dollar averages include zero values for sample members who were not employed or were not receiving TANF or food stamps.

NA = not applicable.

^aThis difference is not tested for statistical significance because the UI earnings data were provided as group averages and the number of groups was too small to provide for a fair test.

^bThis measure represents the sum of UI-covered earnings, cash assistance, and food stamps.

asterisks indicate that the difference, about 7 percentage points, is “statistically significant,” meaning that it is unlikely to have occurred by chance. The second and third panels of the table indicate that PRIDE increased employment in both Year 1 and Year 2 of the follow-up period. (Although not shown, PRIDE generated similar employment gains for childless Safety Net recipients.) Survey data (not shown) suggest that PRIDE increased employment both in very low-paying jobs and in relatively good jobs.

While it is impressive that PRIDE was able to increase employment for a very disadvantaged target group, about two-thirds of the PRIDE group never worked in a UI-covered job during the follow-up period. Moreover, the second row of the table shows that only 16 percent of the PRIDE group were employed in a typical quarter, indicating that many of those who worked did not stay employed. These patterns reflect the limited employability of the target group.

Finally, it is also notable that PRIDE’s employment impacts for single parents were concentrated among individuals who had received welfare benefits for fewer than 60 months before entering the study. There were no employment impacts for single parents who had received more than 60 months of assistance (results not shown).³

- **PRIDE significantly reduced the amount of welfare that families received; this reduction occurred both because the program increased employment and because it sanctioned many recipients for failing to comply with program rules.**

The top panel of Table ES.1 also shows, under “Income,” that the PRIDE group received \$818 less (about 7 percent less) in cash assistance than the control group did over the two-year

³Federal law limits most families to 60 months of federally funded assistance, but New York, like several other states, does not impose time limits on benefit receipt. Instead, most families who receive benefits for 60 months are transferred to the state and locally funded Safety Net program. The analysis found that PRIDE did not increase employment for single parents who had transitioned to the Safety Net program before study entry.

study period. Like the employment gains, the welfare reductions continued throughout the two-year period, as shown in Figure ES.1. At the end of the two-year period (Quarter 9), most of the PRIDE group — 78 percent — were still receiving welfare. However, the figure for the control group was even higher, about 82 percent, and the 4 percentage point difference is statistically significant.

Although the welfare savings were almost certainly driven in part by employment gains, it is important to note that there were welfare reductions for subgroups of single parents who experienced no employment gains — most notably, for single parents who had received more than 60 months of assistance before entering the study. This pattern suggests that the welfare savings are attributable in part to sanctions imposed on recipients who did not comply with PRIDE's requirements.

Although PRIDE had no statistically significant effect on sample members' combined income from earnings and public assistance, it is clear that the reductions in cash assistance payments completely offset any earnings gains; thus, it is unlikely that PRIDE made participants better off financially.

Policy Implications

Many states are searching for ways to promote employment among the hardest-to-employ welfare recipients, including those with health-related barriers to employment. Changes to the TANF program that were passed by Congress in January 2006 may accelerate this trend by pushing states to engage a larger share of recipients in work activities.

The results presented here show that it is possible to mount a large-scale program for recipients with work-limiting medical conditions. PRIDE served large numbers of recipients who had previously been exempt from work requirements, and the program generated modest but sustained increases in employment and substantial welfare savings.

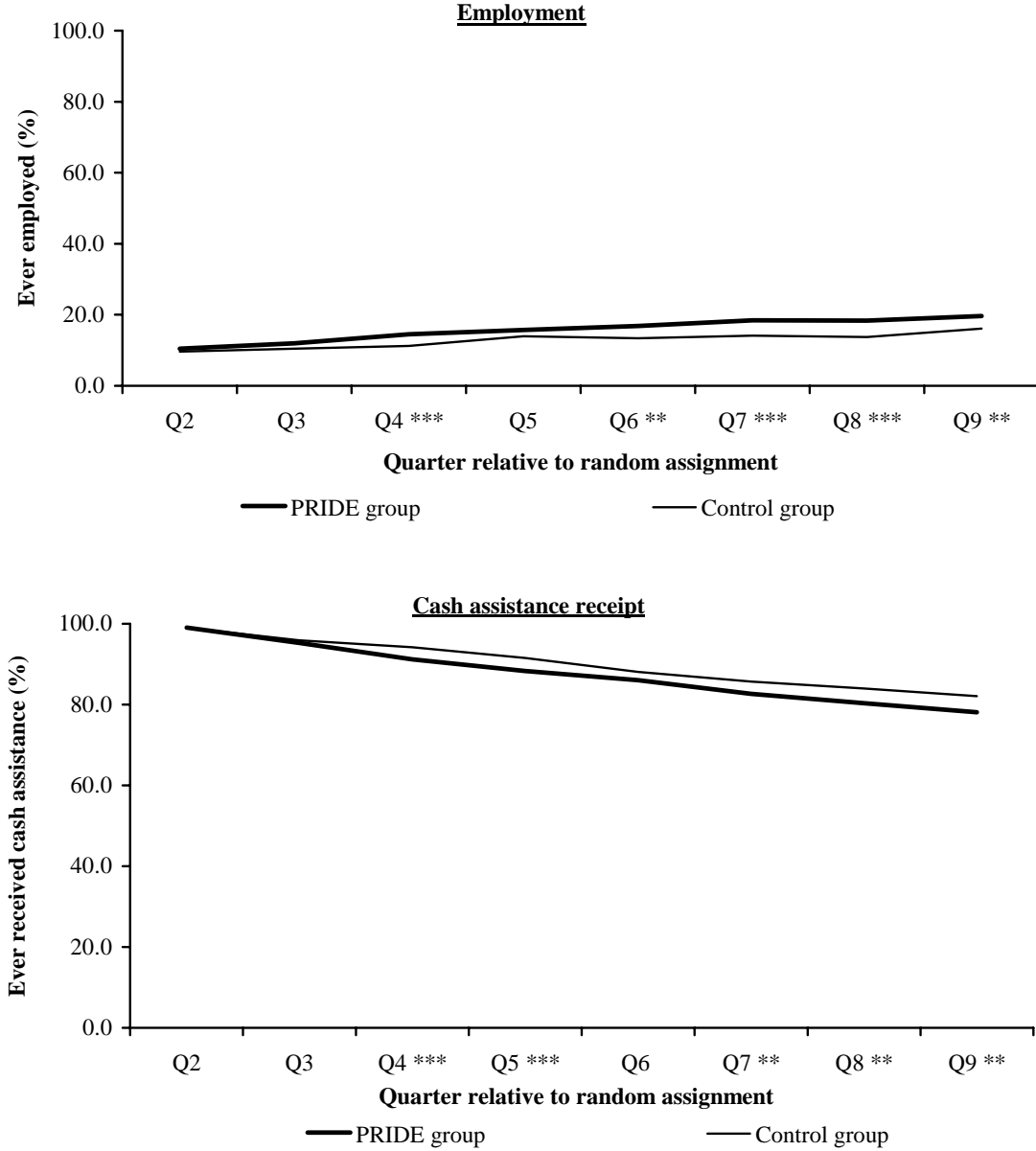
But there are also reasons for caution. Most of the people who were targeted for PRIDE did not work or leave welfare during the study period, and there were no employment gains for those who had the longest histories of welfare receipt. Moreover, the target group was difficult to engage, and at least a portion of the welfare savings were driven by sanctioning, which likely reduced the income of many families. Finally, because PRIDE required highly specialized assessment and employment services and linkages among several state and local agencies, it was

The Employment Retention and Advancement Project

Figure ES.1

Years 1 and 2, Impacts on Quarterly UI-Covered Employment and Cash Assistance for Single Parents

New York City PRIDE



(continued)

Figure ES.1 (continued)

SOURCES: MDRC calculations from unemployment insurance (UI) wage records from the State of New York and public assistance records from New York City.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

Quarters 2 to 5 refer to “Year 1,” and Quarters 6 to 9 refer to “Year 2.” Quarter 1 is the quarter in which random assignment took place and, therefore, is not included in the figure.

complicated to administer. In 2004, it was replaced by WeCARE, a new program that aims to improve on PRIDE’s performance.

The PRIDE results are also of interest because this is the first rigorous evaluation in many years of a welfare-to-work program that heavily used unpaid work experience. However, the study was not designed to isolate the impact of this activity. PRIDE increased participation in both work experience and job search activities, and it is impossible to determine how much each type of activity contributed to the overall results. Previous studies have shown that mandatory job search assistance, by itself, can produce impacts of similar magnitude to those achieved by PRIDE.