

SSP Plus at 36 Months: Effects of Adding Employment Services to Financial Work Incentives

Ying Lei

Charles Michalopoulos

**SRDC
SOCIAL
RESEARCH AND
DEMONSTRATION
CORPORATION**

July 2001

The Self-Sufficiency Project is sponsored by Human Resources Development Canada

The Social Research and Demonstration Corporation (SRDC) is a non-profit organization created in 1991 to develop, field test, and rigorously evaluate social programs designed to improve the well-being of all Canadians, with a special concern for the effects on disadvantaged Canadians. Its mission is to provide policy-makers and practitioners with reliable evidence about what does and does not work from the perspectives of government budgets, program participants, and society as a whole. It accomplishes this mission by evaluating existing social programs and by testing new social program ideas at scale, and in multiple locations, before they become policy and are implemented on a broader basis.

Other SRDC reports on the Self-Sufficiency Project (SSP):

Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project. Tod Mijanovich and David Long. December 1995.

The Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk About Work, Welfare, and Their Futures. Wendy Bancroft and Sheila Currie Vernon. December 1995.

Do Financial Incentives Encourage Welfare Recipients to Work? Initial 18-Month Findings from the Self-Sufficiency Project. David Card and Philip K. Robins. February 1996.

When Work Pays Better Than Welfare: A Summary of the Self-Sufficiency Project's Implementation, Focus Group, and Initial 18-Month Impact Reports. March 1996.

How Important Are "Entry Effects" in Financial Incentive Programs for Welfare Recipients? Experimental Evidence from the Self-Sufficiency Project. David Card, Philip K. Robins, and Winston Lin. August 1997.

Do Work Incentives Have Unintended Consequences? Measuring "Entry Effects" in the Self-Sufficiency Project. Gordon Berlin, Wendy Bancroft, David Card, Winston Lin, and Philip K. Robins. March 1998.

When Financial Incentives Encourage Work: Complete 18-Month Findings from the Self-Sufficiency Project. Winston Lin, Philip K. Robins, David Card, Kristen Harknett, and Susanna Lui-Gurr. September 1998.

Does SSP Plus Increase Employment? The Effect of Adding Services to the Self-Sufficiency Project's Financial Incentives. Gail Quets, Philip K. Robins, Elsie C. Pan, Charles Michalopoulos, and David Card. May 1999.

The Self-Sufficiency Project at 36 Months: Effects of a Financial Work Incentive on Employment and Income. Charles Michalopoulos, David Card, Lisa A. Gennetian, Kristen Harknett, and Philip K. Robins. June 2000.

The Self-Sufficiency Project at 36 Months: Effects on Children of a Program That Increased Parental Employment and Income. Pamela Morris and Charles Michalopoulos. June 2000.

SSP is funded under a contributions agreement with HRDC. The findings and conclusions stated in this report do not necessarily represent the official positions or policies of HRDC.

Copyright © 2001 by the Social Research and Demonstration Corporation.

La version française de ce document peut être obtenue sur demande.

Table of Contents

Tables and Figures	iv
Preface	v
Acknowledgements	vii
Introduction	1
Findings in Brief	1
1 Features of the SSP Plus Program	3
The Financial Incentive Component	3
The Services Component	3
2 The Research Design	5
Random Assignment	5
Measuring the Effects of SSP Plus Policies	5
Gauging Whether SSP Plus Made a Difference	6
3 Economic and Policy Context	9
4 Data Sources and Report Sample	11
5 Use of SSP Plus Job Services	13
6 Impacts on Employment, Earnings, and Cash Transfers	17
Supplement Receipt	17
Full-Time Employment	19
All Employment	24
Earnings	24
Cash Transfers	25
7 Other Transfer Payments, Household Income, and Poverty	27
Conclusions	31
Appendix: Supplementary Impact Tables	33
References	41

Tables and Figures

Table	Page
1 Characteristics of Report Sample Members at Random Assignment	12
2 Participation in SSP Plus Activities	15
3 Impacts on Employment, Earnings, and IA/SSP Receipt and Payments for Years 1–3, Regression Adjusted	23
4 Adjusted SSP Plus Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 36-Month Follow-up Interview	29
A.1 Unadjusted SSP Plus Impacts on Employment, Earnings, Income Assistance, and Cash Transfers	34
A.2 Unadjusted SSP Plus Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 36-Month Follow-Up Interview	35
A.3 Adjusted SSP Plus Impacts on Employment and Earnings, by Quarter	36
A.4 Adjusted SSP Plus Impacts on Income Assistance and Supplement Receipt and Payments, by Quarter	38

Figure	Page
1 Percentage of SSP Plus and Regular SSP Members Receiving SSP Supplement Payments	18
2 Monthly Full-Time Employment Rates Among SSP Plus, Regular SSP, and Control Group Members	20

Preface

This report provides an update of the findings published in the May 1999 study *Does SSP Plus Increase Employment? The Effects of Adding Services to the Self-Sufficiency Project's Financial Incentives*. The Self-Sufficiency Project is a randomized experiment that is testing an innovative strategy to “make work pay” for lone parents who are long-term recipients of income assistance. The core of the SSP program is a generous financial supplement that “tops up” the earnings of low-wage workers who leave welfare for full-time jobs. One component of this study — SSP Plus — is examining the effects of offering the financial incentive in combination with employment-related services.

The results published previously were based on what happened during the first 18 months after participants became eligible for SSP. We now have information for an additional 18 months, and the longer-term follow-up data show that after three years the program impacts have declined somewhat but remain substantial.

As reported in the previous report, however, most of the effects produced by SSP Plus resulted from the earnings supplement offer. The addition of employment-related services had only small effects on employment, earnings, income, and welfare use. After 36 months, a comparison of the SSP Plus program group with a comparable group that was offered the earnings supplement alone showed little difference in employment outcomes, although there was a small incremental reduction in the likelihood of receiving income assistance and a modest additional increase in income. It also appears that the added effects of the SSP Plus services were growing toward the end of the period discussed in this report. It will be interesting to see whether this trend continues.

The Self-Sufficiency Project is actually made up of three linked research studies. Although the final chapters of the SSP story have not yet been written, the results produced so far have already been making a valuable contribution to social policy development in Canada.

John Greenwood
Executive Director

Acknowledgements

This report resulted from the collaboration of many people — from the beginning of the SSP evaluation in 1992 through the production of the current report — who have brought a vast range of experience, knowledge, and ability to the effort.

SSP exists only because of the sponsorship and support of Human Resources Development Canada (HRDC), the program's originators. Special thanks go to Jean-Pierre Voyer and Allen Zeeman.

The report's analyses relied on information from many people. Richard Veevers, Ann Brown, and many other staff members at Statistics Canada collected and processed the survey and administrative records for this report. Many staff members throughout the Income Assistance system in New Brunswick have given valuable assistance and support, especially staff at Human Resources Development–New Brunswick. Melony McGuire and Trudy Megeny at EDS Systemhouse Inc. in Nova Scotia maintained the Program Management Information System (PMIS), which kept track of supplement payments and issued supplement cheques.

Shelly Price, Linda Nelson, and their staff at Family Services Saint John, Inc. in New Brunswick helped design the SSP Plus services and made SSP and SSP Plus operational realities.

The report was immeasurably strengthened by the excellent comments given by many reviewers. At SRDC, John Greenwood helped shape the content of the report as the director of the project. Saul Schwartz also closely reviewed an early draft of the report, and Dan Doyle and Susanna Gurr provided valuable information for understanding employment services in SSP Plus. At MDRC, Gordon Berlin and Phil Robins reviewed an early draft and helped us sharpen the analysis and presentation.

Finally, the report could not have been produced without the invaluable support of many people at MDRC. Martey Doodoo was responsible for creation of the data files and statistical programming, with the help of Nkem Dike, who also coordinated document production, created tables and figures, and checked the accuracy of the exhibits and text, with the assistance of Bryan Ricchetti and Debbie Greenberger. Nina Gunzenhauser edited the report with the assistance of Robert Weber, and Stephanie Cowell did the word processing. At SRDC, Brenda Heald oversaw final production of the report.

The Authors

Introduction

Since the mid-1990s, welfare caseloads have declined dramatically as the economy has improved and federal and provincial reforms have been implemented to encourage or require welfare recipients to work. When welfare recipients begin working, however, they typically obtain low-wage jobs that make them only slightly better off than they would be under welfare. In addition, many welfare recipients have trouble making the transition from welfare to work.

The Self-Sufficiency Project (SSP) met this challenge head-on. SSP is a research and demonstration project designed to test a policy innovation that makes work pay better than welfare. Conceived and funded by Human Resources Development Canada (HRDC), managed by the Social Research and Demonstration Corporation (SRDC), and evaluated by the Manpower Demonstration Research Corporation (MDRC) and SRDC, SSP offered a temporary earnings supplement to selected long-term income assistance (IA) recipients in British Columbia and New Brunswick. The earnings supplement was a monthly cash payment available to single parents who had been on income assistance for at least one year and who left it for full-time work. The supplement was paid on top of earnings from employment for up to three years, as long as participants continued to work full time and remained off income assistance. While collecting the supplement, single parents received an immediate payoff from work; for those working full time at the minimum wage, total income before taxes was about twice their earnings.

Although SSP's financial work incentives have been found to encourage work for many (Michalopoulos et al., 2000), only about one third of people who were offered its earnings supplement were able to find jobs that allowed them to take up the offer. Many simply failed to find the full-time jobs that would have made it possible for them to participate, which raises the question of whether more of these recipients would have used the earnings supplement if they had been offered job-search and other assistance. Many of the people who did take advantage of the supplement offer soon lost their jobs, raising a second question: Would employment-related services help new job takers hold onto their jobs?

The SSP Plus program, which offered both a financial incentive and services, was designed to address these questions. To study the effects of the program, a small group of IA recipients in New Brunswick was offered both the earnings supplement and a range of employment services (SSP Plus), including help finding work, keeping a job, and advancing in a career. A second group was offered the earnings supplement only and a third group was offered neither supplement nor services. People were randomly assigned to one of these three groups.

FINDINGS IN BRIEF

This report describes the effects of the SSP Plus program through three years after random assignment. It presents an update of findings reported by Quets et al. (1999), which provides detailed information on what services the program offered and how the delivery of services was implemented. The current report has three main findings.

- **The addition of services helped a large number of people find full-time work and take advantage of the supplement offer.** About one half of people who were offered both the earnings supplement and employment-related services found full-time work in the year after entering the program and, therefore, qualified to receive the program's earnings supplement. In contrast, only about one third of a comparable group that was offered only the program's earnings supplement was able to find full-time work during this period.
- **The combination of services and earnings supplement generated very large effects.** More than twice as many people who were offered SSP Plus than were offered neither the supplement nor employment services worked full time. In addition, SSP Plus increased earnings by more than \$100 per month and increased income by nearly \$200 per month. At the same time, far fewer of those who were offered the earnings supplement and services remained on income assistance than did those who were offered neither.
- **Most of the effects of SSP Plus stemmed from the supplement offer. Adding services to the program's earnings supplement had small effects on employment, earnings, income, and welfare use.** A comparison of the SSP Plus program group with a comparable group that was offered only the program's earnings supplement revealed few differences in outcomes. The program had scant effects on employment, full-time employment, and cash transfer payments. However, it did reduce the number of people who received income assistance, and it increased income by \$21 per month. The added effects of SSP Plus services appeared to be growing at the end of the period discussed in this report and it remains to be seen whether that trend continues.

Chapter 1: Features of the SSP Plus Program

The SSP Plus program had two components — a financial incentive to encourage people to leave welfare for work and an offer of services to help people find and keep jobs.

THE FINANCIAL INCENTIVE COMPONENT

SSP offered a supplement to earnings, in the form of monthly cash payments to people who left income assistance and worked full time (30 or more hours per week).¹ The restriction to full-time work limited the extent to which people could receive the supplement without increasing or maintaining their work effort.² SSP's supplement offer was made only to single parents who had been on income assistance for at least a year. This restriction targeted SSP benefits to a disadvantaged population that normally experiences difficulty in the labour market. In addition, the SSP supplement varied with individual earnings, rather than family income, and was, therefore, unaffected by family composition, other family members' earnings, or unearned income. Thus, the SSP supplement formula did not penalize single parents who received child support, married, or found a partner. However, because benefits from SSP did not increase with family size, SSP was relatively less generous than income assistance for larger families. Finally, supplement payments were available for a maximum of three calendar years, and only to sample members who initiated SSP payments within 12 months of their initial eligibility.

THE SERVICES COMPONENT

SSP Plus job-search and other services were designed to help long-term IA recipients find and keep jobs. Program participants (SSP Plus program group members) were offered a range of services: an employment plan, a resumé service, job clubs and other workshops, job coaching, and job leads. The accompanying box describes the services in greater detail. Program participants were never under an obligation to use SSP Plus services. Moreover, program participants could choose from the range of SSP Plus services offered, availing themselves of some services but not others.

SSP Plus services were available to program participants both before and after they took up the supplement offer. After taking up the supplement offer, program participants who lost jobs or sought better opportunities were free to avail themselves of any SSP Plus service that interested them, even if they had not taken advantage of SSP Plus services before. Program

¹Lin et al. (1998) provides further details on the implementation and impacts of the financial incentive. In brief, SSP's financial supplement paid parents who worked 30 or more hours per week half of the difference between their actual earnings and a target level of earnings. In New Brunswick the target earnings was set at \$30,000 in 1992, although it has been adjusted slightly over time to reflect changes in the cost of living and in the amounts paid by income assistance. By November 1994, when sample members were being randomly assigned to the three research groups for the SSP Plus study, the target earnings was \$30,600.

²Program group members could not qualify for the earnings supplement with jobs that were 100 per cent government-subsidized. However, positions that were partially subsidized by the federal government or the province of New Brunswick were permitted.

participants who remained in the jobs that qualified them initially for the supplement also continued to receive services from SSP Plus program staff.

Services Available to SSP Plus Program Group Members

Employment Plan. A blueprint for self-sufficiency was drawn up for each group member. It included information on employment barriers, goals, and anticipated use of SSP Plus services.

Resumé Service. SSP Plus program staff was available to draft, type, format, proofread, and print resumé.

Job Club. Enrolment in job clubs, led by SSP Plus job coaches, was encouraged. Emphasis was on early contact with employers, consistent follow-up, and the importance of maintaining a positive attitude.

Job Coaching. Program group members formed one-on-one relationships with SSP Plus program staff, who offered practical advice and emotional support.

Job Leads. SSP Plus program staff collected and distributed news of job openings.

Self-Esteem Workshop. Program group members participated in exercises designed to build self-esteem.

Other Workshops. Workshops targeted program group members confronting job loss or looking for higher-paying positions.

Chapter 2: The Research Design

RANDOM ASSIGNMENT

The goal of the evaluation of SSP Plus is to understand the difference that the combination of the SSP financial incentive and SSP Plus services made in the employment, earnings, income, and welfare receipt of eligible single parents, above and beyond the effects of the financial incentive alone and above and beyond the incentives and services available to families who were not eligible for SSP. To explore these effects, SSP Plus set up three research groups. An SSP Plus program group was offered both the earnings supplement and SSP Plus services, a regular SSP program group was offered only the supplement, and a control group was offered neither the earnings supplement nor SSP Plus services. To make sure that differences between the groups reflected the effects of SSP's policies, IA recipients selected for the study were assigned to program and control groups at random — that is, without regard to their preferences or personal characteristics.

The random assignment of SSP Plus study sample members took place between November 1994 and March 1995. To be eligible for the study, IA recipients had to be single parents at least 19 years old who had received welfare in the current month and in at least 11 of the prior 12 months. Of 892 recipients who were randomly selected and agreed to be part of the study, 293 were assigned to the SSP Plus program group, 296 were assigned to the regular SSP program group, and 303 were assigned to the SSP Plus control group.

MEASURING THE EFFECTS OF SSP PLUS POLICIES

The effects of the SSP Plus policies were determined by comparing outcomes for members of these three groups. Three such comparisons will be made in this report.

The SSP Plus program group was offered both an earnings supplement and the opportunity to use employment-related services. The control group was offered neither. To understand the total effect of the offered supplement and services, therefore, outcomes for the SSP Plus program group will be compared with outcomes for the control group.

In some cases, the effects of the supplement offer by itself will be discussed. Because the regular SSP program group was offered the earnings supplement but not the employment-related services, outcomes for the regular SSP program group will be compared with outcomes for the control group in order to understand the effects of incentives alone.

A longer report describes the effects of SSP's incentives alone through three years (Michalopoulos et al., 2000). The focus of this report, therefore, will be on how much the offered employment-related services affected outcomes, over and above the supplement offer. Since the SSP Plus program group was offered both the supplement and services and the

regular SSP program group was offered only the supplement, comparing outcomes for the two program groups indicates the incremental impact of services added to the supplement offer.

GAUGING WHETHER SSP PLUS MADE A DIFFERENCE

Random assignment was used to ensure that the three research groups — the SSP Plus program group, the regular SSP program group, and the control group — would not be systematically different from one another prior to entering the evaluation. Even when random assignment works properly, however, no two groups will be identical. Two statistical adjustments are made to account for these chance differences.

The three research groups will have slightly different outcomes, even if the offer of a supplement and services had no effects. It is, therefore, necessary to judge whether differences that do appear across the three groups after random assignment are likely due to the programs being studied or likely to have happened by chance. The concept of statistical significance is used to make this determination. Usually, statistical significance is defined at a certain level. Thus, if a difference is statistically significant at the five per cent level, the implication is that there is only a five per cent chance that the difference is due to chance. In this report (which follows generally accepted practices), the minimum acceptable level of statistical significance is 10 per cent. Any difference with a significance level less than or equal to 10 per cent is described as being statistically significant (or not likely to be due to chance). Any difference with a significance level greater than 10 per cent is described as not statistically significant (or possibly due to chance).

For the most part, the report will focus on statistically significant results because they can most reliably be attributed to policy differences. However, effects that are statistically insignificant are not necessarily those that are small. Moreover, the lack of statistical significance does not imply that the policy did not affect outcomes, but only that the estimated effect is not precise enough to allow such a judgment to be made. This is particularly true in a study such as SSP Plus. Because each research group contained only about 300 people, the effect of employment services in addition to the supplement offer would have to be quite large in order to be statistically significant. For this reason, the report will occasionally discuss statistically insignificant results that may be important or that follow an interesting or consistent pattern across outcomes.

Even when random assignment is done correctly, there will be slight differences in the three research groups prior to random assignment. Quets et al. (1999) noted that there were more differences between the SSP Plus and regular SSP program groups at random assignment than chance alone would predict. In particular, SSP Plus program group members were slightly younger, less likely to have grown up with a single parent or in a welfare-receiving household, and more likely to say that they could find trustworthy child care if they found jobs. SSP Plus program group members were also less likely than regular SSP program group members to say they had not been able to work because they lacked education or work experience. At the same time, SSP Plus program group members were more likely to have three or more children and were more likely to have enrolled in school and to have expressed education or training as their greatest need at random assignment. To adjust for differences across the three research groups

prior to random assignment, the impacts presented in this report are based on statistical regression analyses.¹

¹The regression analysis adjusted for 16 baseline characteristics: average monthly IA payments in the four quarters before random assignment, average monthly earnings in the four quarters before random assignment, age, age squared, and indicators for being female, having less than a high school education, whether working at random assignment, whether likes going to work, whether expects to be married in a year, and whether expects to be working in a year. Binary variables were also used to indicate whether a measure was missing. Impacts that are not adjusted for baseline characteristics are presented in the Appendix. The general pattern of the impacts is unaffected by the adjustment.

Chapter 3: Economic and Policy Context

In New Brunswick the program operated in a region covering roughly the lower third of the province, including the cities of Saint John, Moncton, and Fredericton. Sample members were recruited for the study and randomly assigned between November 1994 and March 1995. The period studied in this report consists of the first 36 months after each sample member was randomly assigned (including the month of random assignment). For example, for the earliest sample members randomly assigned, the period studied is November 1994 to October 1997; for those who were randomly assigned last, the period studied is March 1995 to February 1998. During this time, New Brunswick made a variety of changes to its IA program.¹

Starting in September 1995, New Brunswick increased the “earnings disregard,” a policy that determines how much earnings an individual can keep while receiving income assistance. As a result, the amount of income that one could obtain by combining work and welfare was increased, and SSP’s supplement offer became relatively less generous compared with income assistance.² The change in the New Brunswick earnings disregard was implemented while a fair number of people could have still taken up the supplement offer; therefore, it might have affected their decision to respond to the supplement offer, especially for those randomly assigned near the end of the intake period.

Over the time covered in this report, economic conditions also changed in New Brunswick. Sample members were offered the supplement at a time when the economy was in the midst of a slow recovery from a recession that hit Canada in the early 1990s. The unemployment rate in New Brunswick was on the decline in 1994 and 1995, rose in 1996, and reached 12.8 per cent in 1997, the same rate as in 1992. In 1998 the unemployment rate in New Brunswick dropped about 0.7 percentage points.³ The unemployment rate was especially high among people with less than 12 years of education.⁴ Furthermore, there was a shortage of full-time jobs. From 1989 to 1995 the number of part-time workers in New Brunswick increased by 6,000, whereas the number of full-time workers decreased by 1,000. In 1995 about 45 per cent of part-time employment was involuntary, and in 1996 about half of the labour force in New Brunswick was

¹Changes to New Brunswick’s social policy occurred following a larger federal reform described more fully in Michalopoulos et al. (2000). Briefly, in 1996 the two major federal funding programs for cost-sharing of social expenditures (the Canada Assistance Plan (CAP) and the Established Programs Financing Plan) were abolished and replaced by the Canada Health and Social Transfer (CHST) program, which provided a substantially lower level of funding. Battle (1997) estimates that in 1997–1998, federal expenditures for CHST were 15.2 per cent lower than they would have been for the same year under the previous CAP and Established Programs Financing Plan programs.

²Prior to September 1995, IA benefits were not reduced if earnings were \$200 or less in a month, but were reduced dollar-for-dollar if earnings were above \$200. After September 1995 a recipient could qualify for an “extended wage exemption” that disregards either \$200 or 35 per cent of earnings, whichever is greater, for six months, and disregards either \$200 or 30 per cent of earnings, whichever is greater, for an additional six months. The extended wage exemption is not automatic, but is implemented at the discretion of a case manager.

³The unemployment rates in New Brunswick from 1992 to 1998 are: 12.8 per cent (1992), 12.5 per cent (1993–1994), 11.5 per cent (1995), 11.7 per cent (1996), 12.8 per cent (1997), and 12.1 per cent (1998).

⁴In 1996 the overall unemployment rate in New Brunswick was 11.7 per cent; it was 17.2 per cent for people with less than a Grade 9 education and 14.5 per cent for those with a Grade 9 to 12 education.

employed part time or for only part of the year. These labour market conditions may have made it difficult for SSP Plus to increase full-time employment and thus supplement take-up.

The minimum wage in New Brunswick has been increased on several occasions since the inception of SSP Plus. The minimum hourly wage was \$5.00 in 1994, increasing to \$5.25 at the beginning of 1996 and to \$5.50 in July 1996. It is unclear how these changes in the minimum wage might affect the differences between the SSP Plus, regular SSP, and control groups.

Chapter 4: Data Sources and Report Sample

To understand the impacts of SSP Plus, several types of data are used in the current report. A baseline survey was administered to all sample members just prior to random assignment. The survey included questions about respondents' sex, age, race/ethnicity, and other demographic characteristics; household composition and family structure; child care needs; general quality of life; employment and earnings; current income sources and amounts; and attitudes toward work and welfare. Most sample members completed follow-up surveys approximately 18 and 36 months after random assignment. The surveys included questions similar to those that appeared on the baseline survey. Administrative data sources provided monthly information on IA benefits. A Program Management Information System (PMIS), which was designed to help implement and operate SSP, provided information on supplement payments and program participants' contact with SSP staff (for example, attendance at information sessions, phone conversations, visits to program offices, and use of SSP Plus services).

Of the original 293 SSP Plus program group members, 296 regular SSP program group members, and 303 SSP Plus control group members, 820 completed the 36-month survey — 274 in the SSP Plus program group, 270 in the regular SSP program group, and 276 in the control group. In this report, the effects of SSP Plus will be examined using only these individuals, a group called the report sample.

Table 1 describes the report sample at the time of random assignment. In some ways, the table indicates that the long-term, single-parent IA population is rather homogeneous. Nearly all are women. More than 9 out of 10 participants had no more than a high school education. Despite their history of welfare receipt, more than 9 out of 10 had worked at some time in their lives.

All IA recipients selected for SSP Plus had to have received income assistance in the month they were selected and in at least 11 of the prior 12 months. At random assignment, most sample members had received income assistance for many more months. Almost 80 per cent had been receiving it for two or more of the previous three years, and nearly 45 per cent had been receiving it in every month for three years. While more than 90 per cent of the report sample had worked at some time in their lives, less than one quarter of the report sample were working at random assignment, and more than one half were neither working nor looking for work.

Sample members also faced what appeared to be substantial barriers to full-time employment. About one quarter reported an activity-limiting physical condition. Over half had a child under age five in their household. The two most common reasons given for not taking a job in the past four weeks were the respondents' own illness or disability and personal or family responsibilities. Lack of adequate child care was also ranked high among reasons for not taking a job.

Table 1: Characteristics of Report Sample Members at Random Assignment

Characteristic	Overall	SSP Plus Group	Regular SSP Group	Control Group
Recent welfare history				
Number of months on IA in prior 3 years (%)				
10–23	20.4	21.2	19.3	20.7
24–35	34.9	37.2	34.4	33.0
All 36	44.8	41.6	46.3	46.4
Average IA payment in prior month (\$)	709	723	703	702
Work history and labour force status				
Ever had a paid job (%)	92.8	91.2	95.9	91.3
Average years worked	6.8	6.5	6.9	6.9
Labour force status at random assignment (%)				
Employed 30 hours/week or more	7.9	8.0	6.7	9.1
Employed less than 30 hours/week	15.0	13.9	13.8	17.4
Looking for work, not employed	23.0	26.6	22.4	19.9
Neither employed nor looking for work	54.0	51.5	57.1	53.6
Personal characteristics (%)				
Female	96.7	96.7	97.8	95.7
Age 19–24	25.5	28.1	26.0	22.5
Less than high school education	51.8	48.9	55.9	50.7
Completed high school, no post-secondary education	38.8	41.6	35.9	38.8
Some post-secondary education	9.4	9.5	8.1	10.5
Family received welfare when growing up (%) ^c	30.8	27.9	34.5	30.0
Reported physical problem ^a	25.0	24.5	24.9	25.7
Reported emotional problem ^b	7.1	6.2	9.0	6.2
Family structure (%)				
Number of children under age 19 (%)				
1	59.8	58.0	61.0	60.5
2	30.0	30.3	32.3	27.5
3 or more	10.1	11.7	6.7	12.0
Divorced, separated, or widowed	41.7	40.9	42.6	41.7
Youngest child under age 5	53.3	56.7	52.4	50.9
Never married	56.5	58.0	55.6	55.8
Not working and couldn't take a job in prior 4 weeks because of (%)^c				
Own illness or disability	13.2	12.5	14.8	12.4
Lack of adequate child care	9.9	12.1	9.3	8.4
Personal or family responsibility	12.1	11.0	12.2	13.1
Going to school	7.2	11.4	5.2	5.1
No transportation	5.8	6.6	5.2	5.5
Too much competition	0.1	0.0	0.0	0.4
Not enough education	4.5	1.8	6.3	5.5
Not enough experience or skills	3.5	1.5	4.8	4.4
Opinions and expectations				
“If I got a job, I could find someone I trust to take care of my children”				
Agree	65.6	70.0	65.2	61.8
Disagree	14.7	13.9	13.3	16.7
No care required	19.7	16.1	21.5	21.5
Sample size (total = 820)	820	274	270	276

Sources: Calculations from baseline survey data and income assistance (IA) administrative records.

Notes: Sample sizes vary for individual measures because of missing values.

^aSample members were considered to have an activity-limiting physical condition if they answered yes to any of the following: “Do you have a long-term physical condition or health problem that limits you in the kind or amount of activity you can do (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?” Those who were not working generally did not answer the “at work” part of the question, so their classifications are based on answers to the other parts. The conditions reported were not necessarily permanent. Of the sample members who reported an activity-limiting physical condition at the baseline interview, over one third indicated no such problems at the 36-month follow-up interview.

^bSample members were considered to have an activity-limiting emotional condition if they answered yes to any of the following: “Are you limited in the kind or amount of activity you can do because of a long-term emotional, psychological, nervous, or mental health condition or problem (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?”

^cMultiple responses allowed.

Chapter 5: Use of SSP Plus Job Services

SSP Plus program group members were offered a variety of job-search, job retention, and job advancement services, while regular SSP program group members did not have access to those services. They were, instead, offered information (e.g. descriptions, addresses, and contact numbers) about job-search services operated by outside agencies, such as income assistance.

Although SSP Plus program group members were never under an obligation to use SSP Plus services, and regular SSP program group members were free to use outside services, members of the SSP Plus program group did use more services than members of the regular SSP program group. According to Quets et al. (1999), interviews with IA staff and SSP program staff indicated that outside service providers did not make as great an effort to reach members of the regular SSP program group or the control group. The first follow-up survey data indicated that a significantly higher proportion of SSP Plus program group members than the regular SSP or control group members engaged in organized job-search efforts. About 48 per cent of the SSP Plus program group participated in job-search activities, while only about 32 per cent of the regular SSP program group and 27 per cent of the control group did. Field data also indicate that the job-search and other services SSP Plus offered were qualitatively different from those offered by income assistance or other providers. Services focusing on job retention and job advancement were generally unavailable in program group members' communities. The greater use of employment services by the SSP Plus program group was the first step toward increasing their earnings and employment, and reducing their welfare use.

SSP Plus employment services were designed to build a bridge between long-term IA recipients and the world of work. SSP Plus program group members were offered a range of employment services: an employment plan, a resumé service, job club and other workshops, job coaching, and job leads. SSP Plus program staff collaborated with program participants on individual employment plans, outlined the steps that participants could take to find appropriate, supplement-eligible jobs, and followed up to see if progress had been made. They helped participants create effective resúmes and cover letters, and taught them how to make credible calls to prospective employers. They counselled them before job interviews and “debriefed” them afterward. They organized and ran job-search clubs and other workshops and offered one-on-one tutorials in job-search methods. All SSP Plus program group members were also assigned a job coach, who was trained to provide coaching in three specific areas: job search, job retention, and job advancement.

After SSP Plus program group members found employment, job coaches focused on job retention — recommending child care providers and transportation services, relieving program group members' first-day jitters, and sharing tips for getting along with supervisors and co-workers. When a program group member's attitude seemed to be a problem, job coaches suggested improvement. Supplement takers who held onto the jobs with which they had originally taken up the supplement received a small push in the direction of better jobs and higher wages. Job coaches sent the currently employed “better-paying” job leads. They also

encouraged program group members to seek out increased opportunity with current employers and suggested techniques for requesting raises and promotions. Job leavers were encouraged to launch new job-search campaigns as soon as possible. Job coaches offered them job-search help, sent new job leads, and advised job leavers about how they might improve their chances of keeping the next job they found.

Job coaching was often combined with the distribution of job leads; a job coach who called a program group member with a new job lead would inevitably offer some advice about how to pursue the lead or use the opportunity to check on the program group member's job-search progress. SSP Plus program staff estimated that one job out of every three that program group members obtained was the result of an SSP Plus job lead. The SSP Plus program design mandated the distribution of job leads not only to program group members who had not yet found full-time employment but also to those who had taken up the supplement and left their jobs or been laid off or fired. Leads to better-paying jobs were also sent to supplement takers who were currently employed.

Job coaches and other SSP Plus program staff not only responded to SSP Plus program group members' requests for help but also volunteered their help when they sensed a problem or an opportunity. However, in accordance with SSP Plus philosophy, SSP Plus program staff did not pursue program group members who expressed a definite preference for limited contact.

Table 2 summarizes the SSP Plus program group members' activity patterns. Column 1 shows participation rates among all SSP Plus program group members. Columns 2 and 3 show the same outcomes for supplement takers in the SSP Plus program group before and after they took up the supplement.

Column 1 shows that SSP Plus services were both extensively and intensively used by program group members. The employment plan was usually the first service that SSP Plus program group members received, and almost all of them used the service. SSP Plus program group members were entitled to an unlimited use of the resumé service and 69 per cent used the service at least once. A majority of program group members also received job coaching and job leads: approximately 73 per cent received job coaching and about 63 per cent received job leads services, most of which took place over the phone. Job club was the least used service.

The employment plan and resumé service focused on job search rather than job retention and job advancement; hence, they were used more often before the supplement take-up. Column 2 shows that before they took up the supplement about 82 per cent of supplement takers completed an employment plan, and 63 per cent of them used the resumé service. Column 3 indicates that after supplement take-up only about 18 per cent of supplement takers completed an employment plan, and approximately 22 per cent used the resumé service. On the other hand, job coaching was more than a job-search service; it focused on job retention and job advancement, and job coaches made a conscious effort to step up contact with program group members after they found employment.¹ As a result, supplement takers received more job coaching and job leads services than non-takers, and supplement takers received more such services after the supplement take-up than before. Quets et al. (1999) reported that 94 per cent

¹The job coaching contact field was not added to the PMIS until fall 1995, almost one year after random assignment began. The late addition of this field to the PMIS reflects the fact that job coaching did not begin in earnest until SSP Plus program staff had completed information sessions, money management workshops, and job clubs for most program group members.

of takers received at least one job coach or job lead contact, while only 61 per cent of non-takers did. Among supplement takers, about 90 per cent received job coaching and about 70 per cent received job leads after the supplement take-up compared with only about 19 per cent for both services before the supplement take-up (columns 2 and 3 of Table 2). The intensive use of job coaching and job leads services by supplement takers after the supplement take-up could have some bearing on outcomes such as supplement receipt, employment, and hourly wage after the first year.

Table 2: Participation in SSP Plus Activities

Activity	All SSP Plus	Supplement Takers ^b	
	Program Group Members (%)	Before Supplement Take-Up (%)	After Supplement Take-Up (%)
Completed employment plan	95.3	81.5	17.8
Used resumé service	69.0	63.0	21.5
Attended job club	25.5	31.1	4.4
Received job coaching ^a	72.6	18.5	89.6
In person	32.5	9.6	35.6
By phone	65.0	14.8	85.2
Received job leads ^a	62.8	18.5	69.6
In person	10.9	2.2	9.6
By phone	58.8	17.8	62.2
By mail	22.6	0.0	45.2
Sample size (total = 414)	274	135^c	

Source: Calculations from baseline survey data and income assistance (IA) administrative records.

Notes: ^aCategories are not mutually exclusive; distributions do not add up to 100 per cent.

^bSome supplement takers used services both before and after the supplement take-up, thus columns 2 and 3 do not add up to column 1.

^cAlthough there are actually 140 SSP Plus takers, four SSP Plus takers are missing a supplement initiation date and one did not participate in any of the eight SSP Plus events, therefore leaving 135 in this data set.

Chapter 6: Impacts on Employment, Earnings, and Cash Transfers

SUPPLEMENT RECEIPT

One measure of the effect of SSP Plus is its impact on supplement receipt. Qualified members in both program groups could receive the supplement in a given month only if they worked full time (in that month). About 50 per cent of the SSP Plus program group received at least one supplement payment, compared with only about 35 per cent of the regular SSP program group (Quets et al., 1999). As mentioned above, the incremental impact of SSP Plus services over and above the effects of the supplement offer is measured by the difference in outcomes between the SSP Plus program group and the regular SSP program group. In this case, it indicates that the addition of services increased the proportion of people who ever received the SSP supplement by 15 percentage points.

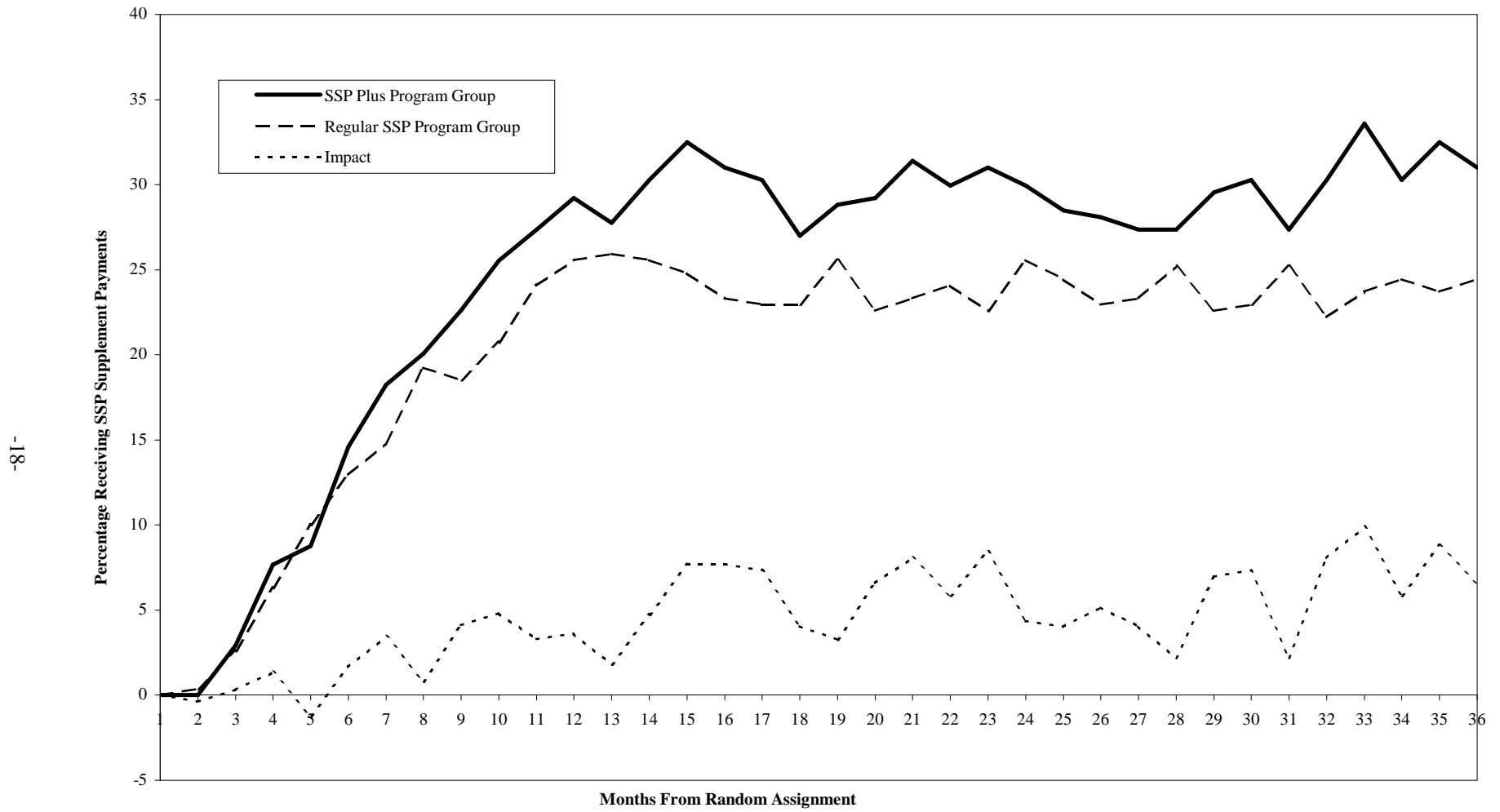
Having ever received the supplement does not indicate how regularly it was received, and therefore, does not indicate whether the program continued to have an effect over time. Figure 1 addresses this issue by showing the monthly supplement receipt for the SSP Plus and regular SSP program groups, along with the difference in supplement receipt for the two groups.

According to the figure, supplement receipt increased throughout the first year after random assignment, reaching about 29 per cent for the SSP Plus program group and 26 per cent for the regular SSP program group. Supplement receipt grew during the first year for two reasons. First, people had to find full-time employment in the first year in order to receive the supplement; thus, they were encouraged to take up the supplement quickly. Second, job search takes time, especially for long-term welfare recipients many of whom had not worked recently.

The difference in the proportion of the two research groups receiving the supplement fluctuated from month to month in the first year after random assignment. It was never larger than five percentage points, however, far below the 15 percentage point difference in the cumulative supplement take-up rate. Moreover, the difference in supplement receipt was statistically insignificant in every month of the first year. In other words, even though many more SSP Plus program group members found full-time work and received at least one supplement payment, many of them could not maintain their full-time employment after they initiated the supplement. According to Quets et al. (1999), the most frequently cited reason that members gave for missing or having a reduced payment was that their employers could not give them enough hours of work (more than one third of supplement takers gave this answer).

People who received the supplement in the first year continued to receive an incentive to work for three years. In contrast, people who did not receive the supplement in the first year could never receive it, and the supplement offer ceased to provide an incentive to work. The fact that more people in the SSP Plus program group took up the supplement offer means that more of them continued receiving an incentive to work full time. This leads to the possibility that the incremental effects of services on supplement receipt could be large later in the follow-up period, even though the effect was relatively small in each month of the first year.

Figure 1: Percentage of SSP Plus and Regular SSP Members Receiving SSP Supplement Payments



Sources: Calculations from payment records from SSP's Program Management Information System (PMIS).

Figure 1 shows that in the second and third years the supplement receipt rate for both the SSP Plus and regular SSP program groups fluctuated around 29 per cent and 24 per cent, respectively. The difference between them, however, also fluctuated from month to month, increasing after the first year and peaking at about 10 percentage points in the 33rd month. Figure 1 indicates that the increase was a result of two developments. First, in much of the second and third years, the supplement receipt rate for the SSP Plus program group exceeded the highest level reached at the end of the first year. Second, the supplement receipt rate for the regular SSP program group was generally lower during the second and third years than at the end of the first year. The increase in the supplement receipt in the SSP Plus program group may indicate that a small percentage of supplement takers who lost full-time jobs by the end of the first year did regain full-time employment in later periods. Notably, the differences in the supplement receipt between the two program groups were significant in nearly half of the follow-up months.

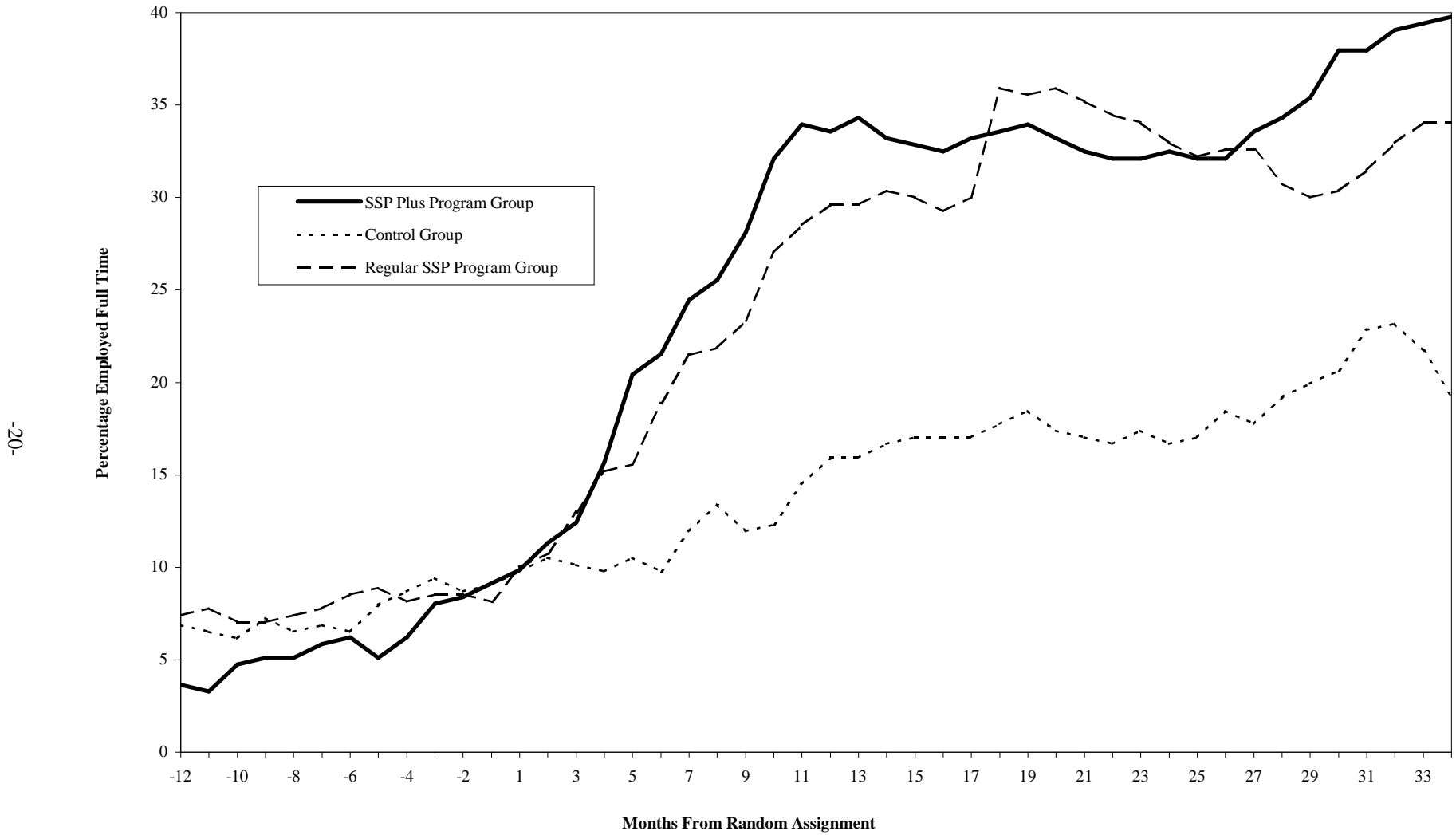
Two factors may contribute to the increase in the impact of SSP Plus on supplement receipt after the first year. First, job coaching and job lead contacts intensified after the supplement take-up. According to Quets et al. (1999), SSP Plus program group members received an average of 0.3 job coaching or job lead contacts per month before the supplement take-up (for takers) or the end of the first year (for non-takers), while supplement takers in the SSP Plus program group received an average of 0.5 job coaching or job lead contacts per month after the supplement take-up. Job coaches emphasized job search for job leavers, job attachment for job keepers at risk, and job advancement for job keepers. Therefore, job leavers in the SSP Plus program group may be more likely to regain full-time employment, or regain it in a shorter period than job leavers in the regular SSP program group; and job keepers at risk may be more likely to keep their jobs. Second, labour market conditions improved near the end of the third year; as more people in the SSP Plus program group than in the regular SSP program group took up the supplement, more would be able to take advantage of the enhanced market condition, especially supplement takers who left their jobs earlier.

FULL-TIME EMPLOYMENT

Although members of both program groups received supplement payments because they worked full time, supplement receipt rates do not directly reveal how the SSP Plus or regular SSP programs affected full-time employment. It is possible that all people who received the supplement would have worked full time even without the supplement offer and services in the SSP Plus program group or without the supplement offer in the regular SSP program group. Had this occurred, equal proportions of the sample members from the two program groups as well as the control group would have worked full time, and the impact of both programs would have been zero. If any members responded to the supplement offer by changing their employment from part time to full time, however, or by moving from not working at all to working full time, the programs would have increased full-time employment.

Figure 2 shows the proportion of each research group that was working full time in every month starting 12 months prior to random assignment and ending 34 months after random assignment. As described earlier, two comparisons are of interest. Comparing the SSP Plus program group with the control group indicates the combined effect of the supplement offer and employment-related services. Comparing the SSP Plus program group with the regular SSP program group indicates the incremental effect of adding services to the supplement offer.

Figure 2: Monthly Full-Time Employment Rates Among SSP Plus, Regular SSP, and Control Group Members



Sources: Calculations from baseline survey data, and 18-month and 36-month follow-up survey data.

The primary focus of this report is on the incremental effects of SSP Plus services. Figure 2 shows that full-time employment for both the SSP Plus program group and the regular SSP program group increased throughout the year after random assignment and fluctuated in the next two years. The difference between them was virtually zero for the first four months and gradually rose in the rest of the year. By the end of the first year, about 35 per cent of SSP Plus program group members were working full time compared with about 30 per cent of regular SSP program group members. In other words, the added services were able to get more people full-time work, but it took a few months for the effect to appear because job search takes time.

Full-time employment fluctuated for both the program groups in the second and third years after random assignment. As a result, the difference between them was small during this period. Although SSP Plus program group members were generally more likely to be working full time during most of this period, the fluctuations sometimes resulted in greater full-time employment for regular SSP program group members. The fluctuations in both the full-time employment rates and the difference between the two program groups may be a consequence of the small number of people involved in the study. As a result, the incremental impacts of SSP Plus services on full-time employment were generally not statistically significant, meaning that they cannot reliably be attributed to the program. This does not mean, however, that SSP Plus definitely did not affect full-time employment. The fact that few people were involved in the study makes it difficult to reliably determine the effects of the program beyond differences due to chance.

However, in the later period, the full-time employment rate rose in both program groups, but increased much more in the SSP Plus program group than it did in the regular SSP program group. This led to a large difference between the two groups. Since more SSP Plus program group members had taken up the supplement, more of them had a constant financial incentive to seek full-time employment, and this may explain the resurgence in the program's effect at the end of Year 3.

Figure 1 shows that a larger proportion of the SSP Plus program group than of the regular SSP program group received the supplement in almost every month of the three-year follow-up period. Moreover, the difference between them was generally significant in the second and third years, suggesting that SSP Plus could have a larger impact on full-time employment than the financial incentive alone. However, Figure 2 shows otherwise. The apparent difference between the two results implies that SSP Plus services helped some people who would have worked full time in the second or third years after random assignment to work full time early enough to receive the earnings supplement. In the second and third years, whenever these people worked full time they would receive the supplement and would be counted as full-time workers and supplement recipients. Their counterparts in the regular SSP program group, who worked full time in the second or third years but not in the first year, never received supplement payments. When they worked full time in the following two years, they had no access to the supplement. As a result, the difference in full-time employment between the two program groups would be smaller than that in supplement receipt after the first year.

Table 3 presents impacts of SSP Plus on employment, earnings, and cash transfer payments for each of the three years in the follow-up period covered by this report. Columns 1 to 3 show the outcomes for the SSP Plus program group, the regular SSP program group, and the control group, respectively. As mentioned earlier, the impacts of SSP's policies can be determined by

comparing these average outcomes. The difference between the SSP Plus program group and the control group indicates the total effect of the supplement offer and employment-related services; this is shown in column 4. The difference between the regular SSP program group and the control group indicates the effect of the supplement offer alone; this is shown in column 6. The difference between the SSP Plus program group and the regular SSP program group indicates the incremental effect of employment-related services when added to the supplement offer; this is shown in column 8.

Asterisks (*) next to an estimated impact indicate that the estimate is statistically significant, meaning that it is large enough to be regarded as evidence that the program had an impact. Impact estimates without asterisks are not statistically significant and should not be regarded as evidence of an impact. Another means of understanding the likely effects of the program uses the standard error of the estimated impact. The standard error is a measure of the statistical uncertainty associated with the impact estimate. One can be about 95 per cent confident that the actual impact lies within the range defined by the estimated impact, plus or minus two standard errors. In Table 3, standard errors are shown in columns 5, 7, and 9. For further discussion of the interpretation of statistical significance and standard errors, see Appendix A in Lin et al. (1998).

The first panel of the table presents another view of the effect of SSP Plus and regular SSP on full-time employment. It shows that both the SSP Plus and regular SSP programs had a substantial impact on full-time employment over the three-year follow-up period. In the first year of the program, the combination of financial incentive and services doubled the average monthly full-time employment rate: 22.5 per cent of the SSP Plus program group worked full time in an average month, while only 10.7 per cent of the control group worked full time. The financial incentive alone produced an average monthly employment rate of 20.5 per cent in the first year, implying that the supplement offer alone doubled full-time employment.

Over the three-year follow-up period, even without the SSP Plus and regular SSP programs, long-term IA recipients gradually gained full-time employment. However, the financial incentive and services offered by SSP Plus and the financial incentive offered by the regular SSP program resulted in significantly more full-time work in an average month. The impact of both programs on full-time employment peaked in the second year and remained sizable in the third year. In the third year, 19.6 per cent of the control group worked full time in an average month, while 35.0 per cent of the SSP Plus program group and 33.2 per cent of the regular SSP program group did. These results indicate that both programs were successful in promoting full-time employment, the first step toward self-sufficiency for long-term welfare recipient.

Column 8 indicates that the incremental impact of SSP Plus services over and above the impact of the incentives alone was statistically insignificant in each of the three years, despite the sizable effects of the SSP Plus program. Therefore, SSP Plus services did not have a measurable effect on full-time employment despite their pronounced effect on supplement take-up and moderate impact on average monthly supplement receipt.

Table 3: Impacts on Employment, Earnings, and IA/SSP Receipt and Payments for Years 1–3, Regression Adjusted

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Monthly full-time employment rate (%)^a									
Year 1	22.5	20.5	10.7	11.8 ***	(2.3)	9.8 ***	(2.3)	2.0	(2.3)
Year 2	32.4	33.9	16.6	15.9 ***	(3.0)	17.4 ***	(3.1)	-1.5	(3.1)
Year 3	35.0	33.2	19.6	15.5 ***	(3.2)	13.6 ***	(3.2)	1.8	(3.2)
Monthly employment rate (%)									
Year 1	37.8	34.5	27.1	10.7 ***	(2.3)	7.4 ***	(2.3)	3.4	(2.3)
Year 2	46.7	46.3	33.9	12.7 ***	(3.2)	12.3 ***	(3.2)	0.4	(3.2)
Year 3	47.7	45.9	36.4	11.3 ***	(3.4)	9.6 ***	(3.5)	1.7	(3.5)
Earnings (\$)									
Year 1	2,921	2,510	1,745	1,176 ***	(257)	763 ***	(257)	411	(258)
Year 2	4,345	4,327	2,952	1,393 ***	(403)	1,375 ***	(405)	18	(408)
Year 3	5,109	4,733	3,703	1,406 ***	(494)	1,030 **	(491)	375	(498)
Monthly rate of IA receipt (%)									
Year 1	81.8	83.1	92.0	-10.1 ***	(1.9)	-8.8 ***	(1.9)	-1.3	(1.9)
Year 2	57.5	61.0	77.8	-20.3 ***	(3.3)	-16.8 ***	(3.3)	-3.6	(3.3)
Year 3	51.5	58.2	71.9	-20.4 ***	(3.4)	-13.7 ***	(3.5)	-6.7 *	(3.5)
IA payments (\$)									
Year 1	7,080	7,167	7,875	-794 ***	(181)	-708 ***	(181)	-87	(182)
Year 2	5,055	5,319	6,755	-1,701 ***	(305)	-1,436 ***	(306)	-264	(308)
Year 3	4,539	5,185	6,266	-1,727 ***	(324)	-1,080 ***	(325)	-647 **	(327)
Monthly rate of IA or SSP receipt (%)									
Year 1	92.9	93.8	91.7	1.2	(1.4)	2.2	(1.4)	-1.0	(1.4)
Year 2	84.1	84.7	77.9	6.2 **	(2.5)	6.8 ***	(2.5)	-0.5	(2.6)
Year 3	79.9	81.7	72.0	7.9 ***	(2.9)	9.7 ***	(2.9)	-1.8	(2.9)
IA and SSP payments (\$)									
Year 1	8,524	8,486	7,842	682 ***	(163)	644 ***	(164)	38	(165)
Year 2	7,776	7,691	6,769	1,007 ***	(259)	922 ***	(259)	85	(261)
Year 3	7,217	7,387	6,269	948 ***	(288)	1,118 ***	(289)	-170	(291)
Sample size (total = 820)	274	270	276						

Source: Calculations from 36-month follow-up survey data.

Notes: The estimates for quarters 1–5 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; and *** = 1 per cent.

Sample sizes vary for individual measures because of missing values.

Rounding may cause slight discrepancies in sums and differences.

^a“Full-time employment” is defined as working 30 hours or more per week in at least one week during the month.

ALL EMPLOYMENT

Although SSP was designed to encourage full-time work, its effects on any work are not as clear. It depends on what the people who are encouraged to work full time would have done in the absence of the program's supplement offer. If they would not have worked at all, but moved to full-time work to take advantage of the supplement offer, then the program would have increased employment by as much as it increases full-time employment. If they would have worked part time without the program, on the other hand, then the program would not have increased employment at all. Instead, it would have decreased part-time employment by as much as it increased full-time employment.

The second panel of Table 3 shows that neither of the two extremes happened. For example, 37.8 per cent of the SSP Plus program group worked in an average month in the first year, as did 34.5 per cent of the regular SSP program group and 27.1 per cent of the control group. Relative to the control group, the combination of financial incentive and services increased the overall employment rate by more than 10 percentage points (37.8 per cent compared with 27.1 per cent), about one percentage point less than the impact on full-time employment. The financial incentive alone increased overall employment by 7.4 percentage points (34.5 per cent compared with 27.1 per cent), or about 2.4 percentage points lower than its effect on full-time employment. In other words, the SSP Plus and regular SSP programs increased overall employment mainly by moving people from not working at all to working full time, and the reduction in part-time employment was small.

In years 2 and 3 of the follow-up period, the movement in overall employment mirrored that of full-time employment: the impact of both programs peaked in the second year and remained substantial in the third year. In the third year, 47.7 per cent of SSP Plus program group members were still working in an average month compared with 45.9 per cent of regular SSP program group members and 36.4 per cent of control group members. Nevertheless, the incremental impact of SSP Plus services on overall employment was insignificant in each of the three years, as shown in column 8.

EARNINGS

The third panel of Table 3 reports estimated impacts on average earnings. The averages are taken over all program group members or all control group members, including those who had zero earnings because they did not work. Similar to their impacts on employment, both programs had a large and significant impact on earnings. In the first year, as people began moving to full-time work, the combination of financial incentive and added services increased earnings by \$1,176 per sample member, and the financial incentive alone increased earnings by \$765 per sample member over earnings of \$1,745 per control group member. In the next two years, the average earnings of members in all three research groups rose substantially as more people worked in each month. In the third year, average annual earnings were \$5,109 for SSP Plus program group members, \$4,733 for regular SSP program group members, and \$3,703 for control group members. Relative to the control group, the impact of the SSP Plus program increased each year and peaked at \$1,406 in the third year, while the impact of the regular SSP program peaked at \$1,375 in the second year.

The incremental impact on earnings of adding services was more than \$800 over three years, though the effect was not statistically significant. Thus, it is possible that the additional services had a substantial effect, but we cannot reliably attribute the result to the program because so few people were involved in the SSP Plus study. It is also possible that the additional services had very little effect on earnings and that the lack of statistical significance reflects an ineffective program. Without additional information, there is no way to know.

CASH TRANSFERS

The next four panels of Table 3 report the effect of the SSP Plus program on cash transfer payments. Both the SSP Plus and regular SSP programs were expected to reduce the use of income assistance because supplement takers were required to leave it. The SSP Plus program, combining a supplement offer with employment-related services, should have had a larger impact on IA receipt and payments than the regular SSP program, as SSP Plus was expected to have a larger impact on full-time employment.

The fourth panel shows that relative to the control group, both programs substantially reduced IA receipt. In the first year of the program, 81.8 per cent of the SSP Plus program group and 83.1 per cent of the regular program group received income assistance in an average month compared with 92.0 per cent of the control group. The reduction in IA receipt in both program groups is roughly of the same size as the increase in full-time employment in the first year. In the next two years, SSP Plus doubled its impact on IA receipt (column 4), reaching 20.4 percentage points in the third year. The regular SSP program also generated a large impact on IA receipt relative to the control group after the first year (column 6). The reduction in IA receipt was 16.8 percentage points in the second year and 13.7 percentage points in the third year.

The incremental impact of the added services increased each year and was small and insignificant in the first two years. In the third year, the incremental impact was large (6.7 percentage points) and significant, even though there was no measurable impact on employment and earnings. It is not clear why the addition of services would have reduced use of income assistance even though it did not increase employment or full-time employment. One possibility is that the people who left welfare to receive the supplement because of the additional services in SSP Plus returned to welfare when they left full-time work, while those who left for full-time work because of the financial incentive did not. Once again, it is not clear why this would be the case. A second alternative is that the significant impact in Year 3 was a statistical aberration; when enough statistical comparisons are made, some differences are likely to show up as statistically significant even when no true difference exists.

The SSP Plus program also reduced IA payments. In the year after random assignment, for example, control group members received \$7,875 through income assistance, on average. In comparison, SSP Plus program group members received \$7,080, implying that SSP Plus reduced IA payments by about \$800 in the first year. The effect of SSP Plus on IA payments increased over time, so that the largest effect happened in the third year: on average SSP Plus program members received \$1,727 less in IA payments than control group members.

The incremental effect of added services on IA payments also grew over time. In the first year after random assignment, for example, the added services had virtually no effect: on average SSP Plus program group members received \$7,080 in IA payments, but regular SSP

program group members received only slightly more (\$7,167). In the third year, in contrast, the added services reduced IA payments by \$647, from \$5,185 for the regular SSP program group to \$4,539 for the SSP Plus program group.

The proportion of each research group receiving either IA or SSP supplement payments is shown in the sixth panel of the table.¹ All people who received the supplement had to leave income assistance when they did so. However, some people left income assistance in order to receive the supplement. Others would have left income assistance anyway, but received the supplement nonetheless because they went to work full time. The extent to which SSP's policies would have increased the proportion of people receiving either IA or supplement payments depends on the size of these two groups. If most people left income assistance solely to receive the supplement, then the reduction in IA use would be about the same as the increase in supplement receipt, and the program would have had little effect on receipt of either IA or supplement payments. On the other hand, if many people who received the supplement would have left income assistance anyway, then the program's effect on receipt of either IA or supplement payments would be much larger than its effects on IA receipt.

The sixth panel indicates that both the SSP Plus and regular SSP programs increased the proportion of members receiving either IA or SSP payments. A large proportion of the control group left income assistance during the follow-up period; 72.0 per cent of control group members were receiving income assistance in the third year. In the two program groups, the percentage receiving either income assistance or SSP supplements did not decline as steeply, because many program group members who left income assistance were receiving the supplement. In the third year, SSP Plus program group members received 7.9 percentage points more in IA or SSP payments and regular SSP program group members received 9.7 percentage points more than control group members. The added services had no measurable impact on the proportion receiving either IA or SSP supplement payments.

Because the proportion receiving either income assistance or the SSP supplement was higher in the SSP Plus program group than in the control group, SSP Plus generated a net increase in cash transfer payments from the government to sample members. For example, in the third year, SSP Plus reduced average annual IA payments by \$1,727 per member, but these savings were more than offset by the monthly supplement payments, leading to a \$948 increase in cash transfer payments. However, results were similar for the regular SSP program, which increased public expenditures by \$1,118 in the third year. Column 8 of the last panel of Table 3 shows that the additional take-up in the SSP Plus program did not lead to any additional cash transfer payments by the government.

¹For the control group this should be the same as the proportion receiving income assistance, since control group members are not eligible to receive SSP. Because of regression adjustment the proportions are not equal but close.

Chapter 7: Other Transfer Payments, Household Income, and Poverty

Earnings, IA payments, and SSP supplement payments were the primary sources of income for the SSP Plus research groups. They do not reflect the full financial circumstances of sample members, however, since they do not include income from other household members or income from other sources; moreover, they do not reflect the costs of payroll and income taxes, or the benefits of other government transfer programs. Table 4 presents a fuller picture of household finances in the six months prior to the 36-month interview.

The first few rows of Table 4 repeat the story already covered: SSP Plus had a substantial effect on monthly earnings and IA payments; and the added services of SSP Plus significantly increased monthly earnings and supplement payments, and reduced monthly IA payments. Furthermore, the incremental impacts of added services on SSP supplement payments and IA payments were relatively large and significant during this six-month period. This suggests that the trend noted in Table 3, which showed larger incremental effects in Year 3 than in Year 1 or Year 2, was especially strong in the second half of Year 3.

SSP Plus program group members received \$251 each month on average from other transfer payments (such as Employment Insurance, the Child Tax Benefit, and the Goods and Services Tax Benefit). They also received an additional \$60 per month in other unearned income (such as alimony and child support). This represents a substantial proportion of the income of these households on average. Nevertheless, regular SSP program group and control group members received similar amounts from these sources, implying that the SSP Plus policies did not affect income other than earnings, income assistance, and supplement payments.

The middle panel of Table 4 shows that both SSP Plus and regular SSP program group members paid more taxes than control group members. This is not surprising since both groups earned more. Moreover, the added services did not increase spending on cash transfers after adjustments were made for the amount of taxes paid. The \$64 reduction in IA payments and the \$18 increase in taxes resulting from the addition of SSP Plus services almost exactly paid for the \$38 increase in SSP supplement payments and the \$31 increase in other transfer payments resulting from the additional services.

The lower panel of Table 4 summarizes the impacts of both programs on personal and household income. Both programs increased total individual before-tax and after-tax incomes by large amounts. The SSP Plus program increased total individual after-tax income by nearly 18 per cent (\$195/\$1,090), while the regular SSP program increased total individual after-tax income by about 11 per cent (\$119/\$1,090). The two programs also generated larger family incomes for program group members than for control group members, leading to a larger reduction in poverty.

The SSP Plus program also had moderate and significant incremental impacts on total individual before-tax and after-tax incomes relative to the regular SSP program. The total average income for SSP Plus program group members was \$1,381 per month, \$93 higher than for regular SSP program group members. After taxes, the increase in income due to SSP Plus

services was slightly less, at \$75 per month. On average, SSP Plus program group members had \$123 more in total family income per month than regular SSP program group members, \$30 of which came from other family members.¹

The extra family income generated by both programs led to substantial reductions in the number of families with income below Statistics Canada's low income cut-off (LICO) during this six-month period. While 88.5 per cent of the control group had low income in the six months prior to the 36-month interview, only 71.4 per cent of the SSP Plus program group and 74.9 per cent of the regular SSP program group had low income. The SSP Plus program further reduced the proportion of families with low income by 3.5 percentage points (not significant) compared with the regular SSP program.

About 41 per cent of the extra \$123 of family income generated by the SSP Plus services was spent on groceries, eating out, clothing, rent, and child care (results not shown). There were no measurable differences on hardship and savings between the two program groups since the SSP Plus program generated only limited impacts on earnings and employment. However, SSP Plus program group members had substantially more debt than regular SSP program group and control group members.

¹What this means for the earnings of other family members is not clear. SSP Plus does not directly affect the wages of other family members, but may increase, decrease, or leave unchanged the earnings of other family members as it increases the earnings of SSP Plus sample members. Family members may feel encouraged to work more (or the same) as the sample member works more because there is a reduction in the leisure time they can spend together. On the other hand, family members may feel free to work less since the sample member is now bringing additional income into the family. Or family members may work less because they provide child care for the newly employed sample member.

Table 4: Adjusted SSP Plus Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 36-Month Follow-Up Interview

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Sources of individual income (\$)									
Earnings	467	412	329	137 ***	(46)	82 *	(46)	55	(46)
SSP supplement payments	219	181	0	219 ***	(22)	182 ***	(22)	38 *	(22)
Income assistance payments	365	429	505	-139 ***	(28)	-76 ***	(28)	-64 **	(28)
Other transfer payments	251	220	235	15	(16)	-15	(16)	31 *	(17)
Employment Insurance	43	27	38	5	(13)	-11	(13)	16	(13)
Child Tax Benefit	170	156	157	13	(9)	-1	(9)	14	(9)
Goods and Services Tax Credit	37	37	39	-2 *	(1)	-2 *	(1)	0	(1)
Other unearned income	60	43	56	4	(14)	-13	(14)	17	(14)
Alimony and child support	45	27	40	5	(12)	-13	(12)	19	(12)
Income from roomers and boarders	7	6	6	2	(4)	0	(4)	1	(4)
Other reported income	8	10	10	-3	(6)	0	(6)	-3	(6)
Projected taxes and net transfer payments (\$)									
Projected income taxes ^a	97	80	40	57 ***	(12)	40 ***	(12)	18	(12)
Net transfer payments ^b	755	752	706	49	(31)	46	(31)	3	(31)
Total individual and family income									
Total individual income (\$)	1,381	1,289	1,130	252 ***	(49)	159 ***	(49)	93 *	(50)
Total individual income net of taxes (\$)	1,284	1,209	1,090	195 ***	(40)	119 ***	(40)	75 *	(41)
Total family income (\$) ^c	1,616	1,493	1,268	348 ***	(75)	225 ***	(73)	123	(75)
Percentage with income below the low income cut-off ^d	71.4	74.9	88.5	-17.2 ***	(3.7)	-13.7 ***	(3.7)	-3.5	(3.8)
Sample size (total = 820)	274	270	276						

Sources: Calculations from 36-month follow-up survey data, income assistance (IA) administrative records, and SSP Program Management Information System (PMIS) payment records.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differences.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; and *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

^aIncludes projected Employment Insurance premiums and Canada Pension Plan premiums deducted at payroll and projected income taxes. Payroll deductions and income taxes were projected from federal and provincial tax schedules and data on earned and unearned income, and SSP supplement payments; the actual taxes paid by sample members may differ from these projections.

^bIncludes public expenditures on SSP, IA payments, and other transfers, net of income tax revenue.

^cFamily income is measured by the sum of the sample member's income and the labour earnings of any other members of that person's family.

^dCalculated by comparing annualized family income with the low income cut-off defined by Statistics Canada for the sample member's location and family size.

Conclusions

The Self-Sufficiency Project (SSP) was designed to test a policy innovation that makes work pay better than welfare. As a part of the project, the SSP Plus study tested whether adding voluntary employment-related services to the SSP supplement would improve the participation in SSP and help participants maintain supplement receipt and full-time employment compared with the regular SSP program.

According to the analysis in this report, the combination of financial work incentives and employment-related services had substantial effects. For example, they approximately doubled full-time employment. However, most of the effects of SSP Plus stem from the program's earnings supplement. SSP Plus substantially increased the supplement take-up and had moderate impact on supplement receipt in the second and the third years compared with the regular SSP program. Despite this success, SSP Plus had no measurable impact on full-time employment or on all employment and, therefore, no measurable impact on earnings, although earnings and employment were generally higher under SSP Plus than under the regular SSP program. Moreover, SSP Plus reduced IA receipt and payments more than the regular SSP program, and it did not appear to result in any further increase in cash transfer payments.

Although many SSP Plus program group members were able to take advantage of the supplement offer, the combination of the generous earnings supplement and employment-related services in SSP Plus is not a panacea. About one half of the people offered the supplement and employment services were not able to find full-time work and take advantage of the supplement offer. About 40 per cent of people who never received the supplement said they were unable to find jobs (Quets et al., 1999). Health problems and disabilities were the second most commonly cited reasons, and personal and family responsibilities also ranked high as reasons for not taking up the supplement. Thus, services offered through SSP Plus were insufficient to overcome the difficulties in finding work for everyone, and these barriers may require services beyond those offered by SSP Plus.

**Appendix:
Supplementary Impact Tables**

Table A.1: Unadjusted SSP Plus Impacts on Employment, Earnings, Income Assistance, and Cash Transfers

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Monthly full-time employment rate (%)^a									
Year 1	22.4	19.6	11.7	10.7 ***	2.5	7.9 ***	2.5	2.8	2.5
Year 2	33.0	32.8	17.1	15.9 ***	3.3	15.7 ***	3.3	0.2	3.3
Year 3	35.8	31.9	20.1	15.7 ***	3.4	11.8 ***	3.4	3.9	3.4
Monthly employment rate (%)									
Year 1	37.4	32.4	29.6	7.9 **	3.4	2.8	3.4	5.1	3.4
Year 2	47.1	44.4	35.3	11.8 ***	3.7	9.1 **	3.7	2.7	3.7
Year 3	48.1	44.1	37.8	10.3 ***	3.8	6.3 *	3.8	4.0	3.8
Earnings (\$)									
Year 1	2,921	2,369	1,885	1,036 ***	316	484	318	552 *	317
Year 2	4,443	4,110	3,065	1,379 ***	448	1,045 **	451	333	451
Year 3	5,280	4,429	3,835	1,445 ***	539	594	538	851	540
Monthly rate of IA receipt (%)									
Year 1	81.2	84.1	91.6	-10.4 ***	2.0	-7.5 ***	2.0	-2.9	2.0
Year 2	55.7	63.0	77.6	-21.9 ***	3.5	-14.7 ***	3.6	-7.3 **	3.6
Year 3	50.3	60.0	71.4	-21.0 ***	3.7	-11.4 ***	3.8	-9.7 **	3.8
IA payments (\$)									
Year 1	7,076	7,268	7,780	-704 ***	234	-512 **	235	-192	235
Year 2	4,942	5,513	6,678	-1,737 ***	341	-1,165 ***	342	-571 *	343
Year 3	4,462	5,354	6,177	-1,715 ***	358	-823 **	360	-891 **	360
Monthly rate of IA or SSP receipt (%)									
Year 1	92.4	94.4	91.6	0.7	1.5	2.8 *	1.5	-2.0	1.5
Year 2	83.2	86.0	77.6	5.5 **	2.6	8.4 ***	2.6	-2.8	2.6
Year 3	79.1	83.1	71.4	7.8 ***	3.0	11.7 ***	3.0	-4.0	3.0
IA and SSP payments (\$)									
Year 1	8,537	8,536	7,780	757 ***	194	756 ***	195	1	195
Year 2	7,741	7,819	6,678	1,063 ***	270	1,141 ***	271	-78	272
Year 3	7,179	7,520	6,177	1,002 ***	302	1,343 ***	303	-341	304
Sample size (total = 820)	274	270	276						

Source: Calculations from 36-month follow-up survey data.

Notes: The estimates for quarters 1–5 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; and *** = 1 per cent.

Sample sizes vary for individual measures because of missing values.

Rounding may cause slight discrepancies in sums and differences.

^a“Full-time employment” is defined as working 30 hours or more per week in at least one week during the month.

Table A.2: Unadjusted SSP Plus Impacts on Monthly Income and Net Transfer Payments in the Six Months Prior to the 36-Month Follow-up Interview

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Sources of individual income (\$)									
Earnings	481	385	342	139 ***	(50)	42	(50)	96 *	(50)
SSP supplement payments	221	179	0	221 ***	(22)	179 ***	(22)	43 *	(22)
Income assistance payments	361	441	497	-136 ***	(31)	-56 *	(31)	-81 ***	(31)
Other transfer payments	261	214	231	30 *	(17)	-17	(17)	46 ***	(17)
Employment Insurance	48	24	37	11	(13)	-13	(13)	24 *	(13)
Child Tax Benefit	176	153	154	21 **	(10)	-1	(10)	22 **	(10)
Goods and Services Tax Credit	37	37	39	-2	(1)	-2 *	(1)	1	(1)
Other unearned income	60	41	58	2	(14)	-17	(14)	19	(14)
Alimony and child support	46	25	41	4	(12)	-17	(12)	21 *	(12)
Income from roomers and boarders	6	6	6	0	(4)	-1	(4)	1	(4)
Other reported income	8	10	10	-2	(6)	0	(6)	-3	(6)
Projected taxes and net transfer payments (\$)									
Projected income taxes ^a	100	74	43	58 ***	(12)	31 **	(12)	27 **	(12)
Net transfer payments ^b	754	764	695	59 *	(34)	70 **	(34)	-10	(34)
Total individual and family income									
Total individual income (\$)	1,401	1,264	1,135	265 ***	(51)	129 **	(51)	136 ***	(51)
Total individual income net of taxes (\$)	1,300	1,191	1,092	208 ***	(42)	98 **	(41)	109 ***	(42)
Total family income (\$) ^c	1,647	1,464	1,267	380 ***	(78)	197 **	(77)	183 **	(78)
Percentage with income below the low income cut-off ^d	70.6	76.0	88.1	-17.4 ***	(3.9)	-12.1 ***	(3.8)	-5.4	(3.9)
Sample size (total = 820)	274	270	276						

Sources: Calculations from 36-month follow-up survey data, income assistance (IA) administrative records, and SSP Program Management Information System (PMIS) payment records.

Notes: Sample sizes vary for individual measures because of missing values. This may cause slight discrepancies in sums and differences.

Two-tailed t-tests were applied to differences in outcomes between the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; and *** = 1 per cent. Rounding may cause slight discrepancies in sums and differences.

^aIncludes projected Employment Insurance premiums and Canada Pension Plan premiums deducted at payroll and projected income taxes. Payroll deductions and income taxes were projected from federal and provincial tax schedules and data on earned and unearned income, and SSP supplement payments; the actual taxes paid by sample members may differ from these projections.

^bIncludes public expenditures on SSP, IA payments, and other transfers, net of income tax revenue.

^cFamily income is measured by the sum of the sample member's income and the labour earnings of any other members of that person's family.

^dCalculated by comparing annualized family income with the low income cut-off defined by Statistics Canada for the sample member's location and family size.

Table A.3: Adjusted SSP Plus Impacts on Employment and Earnings, by Quarter

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Full-time employment rate (%)^a									
Quarter 1	11.5	12.1	9.0	2.6	(2.2)	3.1	(2.2)	-0.5	(2.2)
Quarter 2	19.5	17.3	9.0	10.5 ***	(2.7)	8.3 ***	(2.7)	2.2	(2.7)
Quarter 3	26.1	23.2	11.4	14.7 ***	(3.0)	11.8 ***	(3.0)	2.9	(3.1)
Quarter 4	33.0	29.4	13.5	19.4 ***	(3.3)	15.9 ***	(3.3)	3.6	(3.3)
Quarter 5	33.0	31.1	15.9	17.1 ***	(3.4)	15.3 ***	(3.4)	1.9	(3.4)
Quarter 6	32.4	33.0	16.6	15.8 ***	(3.4)	16.4 ***	(3.4)	-0.6	(3.4)
Quarter 7	32.6	36.8	17.1	15.5 ***	(3.5)	19.7 ***	(3.5)	-4.2	(3.5)
Quarter 8	31.6	34.7	16.6	15.0 ***	(3.4)	18.1 ***	(3.5)	-3.1	(3.5)
Quarter 9	32.1	33.2	17.5	14.7 ***	(3.5)	15.8 ***	(3.5)	-1.1	(3.5)
Quarter 10	35.1	31.7	19.4	15.7 ***	(3.5)	12.3 ***	(3.5)	3.4	(3.6)
Quarter 11	37.8	34.6	21.9	16.0 ***	(3.6)	12.7 ***	(3.6)	3.3	(3.6)
Quarter 12	37.5	34.0	18.0	19.4 ***	(3.5)	16.0 ***	(3.5)	3.4	(3.5)
Overall employment rate (%)									
Quarter 1	26.2	27.1	25.3	0.9	(1.8)	1.8	(1.8)	-0.9	(1.8)
Quarter 2	35.2	30.4	25.1	10.1 ***	(2.7)	5.3 *	(2.7)	4.8 *	(2.7)
Quarter 3	42.2	37.9	27.9	14.3 ***	(3.2)	9.9 ***	(3.2)	4.4	(3.3)
Quarter 4	47.7	42.4	30.1	17.7 ***	(3.3)	12.4 ***	(3.3)	5.3	(3.4)
Quarter 5	47.7	43.2	31.5	16.2 ***	(3.5)	11.7 ***	(3.5)	4.5	(3.5)
Quarter 6	46.7	45.9	33.8	12.9 ***	(3.5)	12.2 ***	(3.5)	0.7	(3.6)
Quarter 7	46.6	48.9	35.6	11.0 ***	(3.7)	13.3 ***	(3.7)	-2.3	(3.7)
Quarter 8	45.6	47.0	34.9	10.7 ***	(3.7)	12.1 ***	(3.7)	-1.4	(3.8)
Quarter 9	45.1	45.9	35.1	10.0 ***	(3.7)	10.7 ***	(3.7)	-0.8	(3.8)
Quarter 10	48.0	44.1	35.0	13.0 ***	(3.7)	9.1 **	(3.7)	3.8	(3.8)
Quarter 11	50.0	47.8	39.0	11.0 ***	(3.8)	8.8 **	(3.8)	2.2	(3.8)
Quarter 12	50.7	46.5	38.6	12.1 ***	(3.8)	7.9 **	(3.8)	4.2	(3.8)

(continued)

Table A.3: Adjusted SSP Plus Impacts on Employment and Earnings, by Quarter (cont'd)

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Average hours worked (hours/month)									
Quarter 1	25.9	25.3	21.1	4.7	(3.2)	4.2	(3.2)	0.6	(3.2)
Quarter 2	37.6	33.1	22.7	14.9 ***	(4.4)	10.4 **	(4.4)	4.4	(4.4)
Quarter 3	50.7	43.7	27.1	23.6 ***	(4.9)	16.6 ***	(4.9)	7.0	(4.9)
Quarter 4	57.9	50.1	31.3	26.6 ***	(5.1)	18.8 ***	(5.1)	7.8	(5.1)
Quarter 5	58.3	52.3	34.3	24.0 ***	(5.2)	18.0 ***	(5.3)	6.0	(5.3)
Quarter 6	58.5	57.2	37.0	21.5 ***	(5.5)	20.3 ***	(5.5)	1.3	(5.5)
Quarter 7	60.6	66.2	40.0	20.6 ***	(5.9)	26.2 ***	(5.9)	-5.6	(6.0)
Quarter 8	58.1	62.5	38.0	20.0 ***	(5.7)	24.5 ***	(5.7)	-4.4	(5.7)
Quarter 9	59.1	59.2	39.2	19.9 ***	(5.6)	20.0 ***	(5.6)	-0.1	(5.7)
Quarter 10	60.5	58.8	41.8	18.7 ***	(5.8)	16.9 ***	(5.8)	1.7	(5.8)
Quarter 11	64.9	61.9	46.5	18.5 ***	(5.8)	15.4 ***	(5.8)	3.1	(5.8)
Quarter 12	62.6	59.9	41.8	20.8 ***	(5.7)	18.1 ***	(5.6)	2.8	(5.7)
Average earnings (\$/month)									
Quarter 1	126	121	107	19	(15)	14	(15)	5	(15)
Quarter 2	199	178	119	80 ***	(24)	59 **	(24)	21	(24)
Quarter 3	299	239	153	146 ***	(31)	85 ***	(31)	61 **	(31)
Quarter 4	348	293	191	157 ***	(34)	103 ***	(34)	54	(34)
Quarter 5	350	305	215	135 ***	(34)	91 ***	(34)	44	(34)
Quarter 6	352	343	239	113 ***	(36)	104 ***	(36)	9	(36)
Quarter 7	374	402	270	104 **	(41)	133 ***	(41)	-28	(41)
Quarter 8	380	383	260	120 ***	(40)	123 ***	(40)	-2	(40)
Quarter 9	377	365	274	103 **	(40)	91 **	(40)	12	(41)
Quarter 10	423	394	309	114 **	(46)	84 *	(46)	29	(46)
Quarter 11	466	414	343	123 ***	(47)	71	(47)	52	(48)
Quarter 12	470	406	308	162 ***	(48)	99 **	(47)	64	(48)
Sample size (total = 820)	274	270	276						

Source: Calculations from 36-month follow-up survey data.

Notes: The estimates for quarters 1–5 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; and *** = 1 per cent.

Sample sizes vary for individual measures because of missing values.

Rounding may cause slight discrepancies in sums and differences.

^a“Full-time employment” is defined as working 30 hours or more per week in at least one week during the month.

Table A.4: Adjusted SSP Plus Impacts on Income Assistance and Supplement Receipt and Payments, by Quarter

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Receiving IA (%)									
Quarter 1	97.0	98.2	98.5	-1.5 *	(0.9)	-0.3	(0.9)	-1.2	(0.9)
Quarter 2	88.0	88.7	94.2	-6.2 ***	(2.1)	-5.5 ***	(2.1)	-0.7	(2.1)
Quarter 3	76.0	77.1	89.1	-13.1 ***	(2.9)	-12.0 ***	(2.9)	-1.1	(2.9)
Quarter 4	66.3	68.5	86.0	-19.7 ***	(3.3)	-17.5 ***	(3.3)	-2.2	(3.3)
Quarter 5	60.6	63.8	81.8	-21.2 ***	(3.4)	-18.0 ***	(3.4)	-3.2	(3.4)
Quarter 6	58.0	62.2	78.8	-20.7 ***	(3.6)	-16.6 ***	(3.6)	-4.1	(3.6)
Quarter 7	55.5	60.4	75.9	-20.5 ***	(3.6)	-15.5 ***	(3.6)	-5.0	(3.7)
Quarter 8	55.6	57.6	74.6	-19.0 ***	(3.7)	-17.0 ***	(3.7)	-2.0	(3.7)
Quarter 9	52.9	57.8	74.1	-21.3 ***	(3.7)	-16.3 ***	(3.7)	-4.9	(3.7)
Quarter 10	52.8	58.9	74.4	-21.7 ***	(3.7)	-15.5 ***	(3.7)	-6.1 *	(3.7)
Quarter 11	51.0	58.1	70.7	-19.7 ***	(3.7)	-12.6 ***	(3.7)	-7.2 *	(3.8)
Quarter 12	49.4	58.1	68.3	-19.0 ***	(3.7)	-10.2 ***	(3.7)	-8.7 **	(3.8)
Receiving either IA or SSP (%)									
Quarter 1	97.3	98.7	98.5	-1.3	(0.8)	0.2	(0.8)	-1.5 *	(0.8)
Quarter 2	94.4	94.9	93.7	0.7	(1.7)	1.2	(1.7)	-0.4	(1.7)
Quarter 3	91.4	91.9	88.6	2.8	(2.1)	3.3	(2.1)	-0.5	(2.2)
Quarter 4	88.4	89.9	85.7	2.7	(2.5)	4.2 *	(2.5)	-1.5	(2.5)
Quarter 5	85.5	88.0	81.9	3.6	(2.7)	6.1 **	(2.7)	-2.5	(2.7)
Quarter 6	84.7	84.8	78.9	5.8 **	(2.8)	5.9 **	(2.9)	-0.1	(2.9)
Quarter 7	83.1	84.0	76.1	7.0 **	(3.0)	7.9 ***	(3.0)	-0.9	(3.0)
Quarter 8	83.2	81.9	74.8	8.5 ***	(3.1)	7.2 **	(3.1)	1.3	(3.1)
Quarter 9	79.3	80.9	74.3	5.0	(3.3)	6.6 **	(3.3)	-1.6	(3.3)
Quarter 10	80.6	81.7	74.5	6.1 *	(3.1)	7.2 **	(3.1)	-1.1	(3.2)
Quarter 11	80.6	81.7	70.6	10.0 ***	(3.2)	11.0 ***	(3.2)	-1.1	(3.2)
Quarter 12	79.0	82.4	68.4	10.6 ***	(3.3)	14.1 ***	(3.3)	-3.5	(3.3)

(continued)

Table A.4: Adjusted SSP Plus Impacts on Income Assistance and Supplement Receipt and Payments, by Quarter (*cont'd*)

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentive and Services (4)	Standard Error (5)	Impacts of Financial Incentive Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Average IA payments (\$/month)									
Quarter 1	695	699	706	-11	(11)	-7	(11)	-4	(11)
Quarter 2	630	633	666	-36 **	(17)	-33 **	(17)	-3	(17)
Quarter 3	550	552	630	-80 ***	(22)	-78 ***	(22)	-2	(22)
Quarter 4	485	506	623	-138 ***	(25)	-117 ***	(25)	-21	(25)
Quarter 5	449	469	606	-158 ***	(27)	-137 ***	(27)	-20	(27)
Quarter 6	428	449	572	-143 ***	(28)	-122 ***	(28)	-21	(28)
Quarter 7	400	432	537	-138 ***	(28)	-105 ***	(28)	-32	(28)
Quarter 8	408	422	536	-128 ***	(29)	-114 ***	(29)	-14	(29)
Quarter 9	395	431	544	-149 ***	(29)	-112 ***	(29)	-37	(29)
Quarter 10	389	439	535	-146 ***	(29)	-96 ***	(29)	-51 *	(29)
Quarter 11	368	432	509	-140 ***	(29)	-77 ***	(29)	-63 **	(29)
Quarter 12	361	426	501	-140 ***	(29)	-75 **	(29)	-65 **	(29)
Average income from IA and SSP (\$/month)									
Quarter 1	700	704	705	-5	(10)	-1	(11)	-3	(11)
Quarter 2	719	722	661	58 ***	(18)	61 ***	(18)	-3	(18)
Quarter 3	729	706	626	103 ***	(20)	80 ***	(20)	23	(21)
Quarter 4	693	696	622	71 ***	(22)	74 ***	(22)	-3	(22)
Quarter 5	674	672	609	66 ***	(24)	63 ***	(24)	2	(25)
Quarter 6	664	651	572	92 ***	(25)	79 ***	(25)	13	(25)
Quarter 7	626	632	539	87 ***	(26)	93 ***	(26)	-6	(26)
Quarter 8	628	608	536	91 ***	(26)	72 ***	(26)	19	(26)
Quarter 9	605	612	545	60 **	(28)	67 **	(28)	-7	(28)
Quarter 10	629	631	536	94 ***	(28)	96 ***	(28)	-2	(28)
Quarter 11	600	619	508	92 ***	(26)	111 ***	(26)	-19	(27)
Quarter 12	571	601	501	70 ***	(27)	99 ***	(27)	-29	(27)
Sample size (total = 820)	274	270	276						

Sources: Calculations from income assistance (IA) administrative records and SSP Program Management Information System (PMIS) payment records.

Notes: The estimates for quarters 1–12 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; and *** = 1 per cent.

Rounding may cause slight discrepancies in sums and differences.

References

- Battle, K. (1997). "Transformation: Canadian social policy since 1985." Paper presented at the annual meeting of the American Sociological Association, Toronto.
- Lin, W., Robins, P. K., Card, D., Harknett, K., & Lui-Gurr, S. (1998). *When financial incentives encourage work: Complete 18-month findings from the Self-Sufficiency Project*. Ottawa: Social Research and Demonstration Corporation.
- Michalopoulos, C., Card, D., Gennetian, L. A., Harknett, K., & Robins, P. K. (2000). *The Self-Sufficiency Project at 36 months: Effects of a financial work incentive on employment and income*. Ottawa: Social Research and Demonstration Corporation.
- Quets, G., Robins, P. K., Pan, E. C., Michalopoulos, C., & Card, D. (1999). *Does SSP Plus increase employment? The effect of adding services to the Self-Sufficiency Project's financial incentives*. Ottawa: Social Research and Demonstration Corporation.

