



Executive Summary

Strategies to Help Low-Wage Workers Advance

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

Cynthia Miller
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THE WORK ADVANCEMENT AND SUPPORT CENTER DEMONSTRATION

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Overview

The Work Advancement and Support Center (WASC) demonstration was an innovative program designed to increase the incomes of low-wage workers. The program offered participating workers intensive employment retention and advancement services, including career coaching and access to skills training. It also offered them easier access to work supports, in an effort to increase their incomes in the short run and help stabilize their employment. Finally, both services were offered in one location — in existing One-Stop Career Centers created by the Workforce Investment Act (WIA) of 1998 — and by colocated teams of workforce and welfare staff. Services were provided to workers for two years between 2005 and 2010, and the program operated in three sites across the country: Bridgeport, Connecticut; Dayton, Ohio; and San Diego, California.

WASC was evaluated using a randomized control trial, in which individuals who were interested in and eligible for the program were assigned at random to either the WASC group, eligible to receive WASC benefits and services, or a control group, not eligible for WASC services but eligible to seek out existing services in the community. This is the final report in a series of reports prepared for the demonstration, and it covers the effects of WASC on workers' benefit receipt and earnings for three to four years after study entry.

Key Findings

- The program increased workers' receipt of work supports, although the effects varied substantially across the three sites. The largest effects were in San Diego, which had the lowest work support receipt rates at baseline. In that site in Year 2, for example, WASC increased food stamp receipt by 8 percentage points and child care subsidy receipt by 14 percentage points.
- The two programs that were able to offer participants eased access to funds for training — in Dayton and Bridgeport — substantially increased workers' participation in education and training activities and their receipt of certificates and licenses. In Bridgeport, for example, WASC increased participation in education and training by 16 percentage points.
- The same two programs that increased participation in education and training also increased earnings in Year 3. In Dayton, individuals in the WASC group earned \$1,152 (or 8 percent) more than those in the control group. However, the effects in Dayton had faded somewhat by Year 4.

The findings provide a number of lessons for WIA and for advancement policies more generally. In particular, increased access to training for low-income workers like these appears to be a critical part of any advancement strategy. Yet the earnings gains associated with participation in training may be short-lived if participants are not given more guidance about the right types of training to pursue or opportunities for additional training.

Preface

The Work Advancement and Support Center (WASC) demonstration, started in 2005, was an innovative attempt to increase the incomes of low-wage workers. First, it expanded the mission of the One-Stop Career Centers (funded by the Workforce Investment Act of 1998) to offer incumbent workers access to advancement services. Although there is a clear need for such services — most low-wage workers do not advance much over time on their own — these workers are typically not eligible for this type of help through public agencies. The One-Stop Centers, for example, focus largely on the unemployed. Second, it made the often-burdensome process of applying for benefits simpler for these workers. Many working individuals and families who are eligible for key benefits, such as food stamps and public health insurance, do not receive them. Finally, both of these services were offered in one location, at the participating One-Stop Centers, by teams of workforce development and welfare staff working together in the same unit.

This final report presents findings about the WASC program's effects on the use of work supports, participation in training, employment, and earnings for up to four years after individuals entered the study. WASC increased workers' receipt of work supports, although the effects varied substantially across the three sites, depending on how far the site could go toward simplification and how many workers in that site had already received work supports before the study began. Not surprisingly, the increases in work supports largely ended when the program ended, once these workers had to return to the existing benefits system. The two sites whose programs were able to offer participants easier access to funds for training substantially increased workers' participation in education and training activities and their receipt of certificates and licenses. These same two programs led to impacts on earnings that emerged by the third year, although there is some suggestion that the effects faded after that point.

The WASC demonstration will inform the next generation of advancement policies through its presentation of what kinds of work and training low-wage workers want, how they think about work supports and advancement, and what services work or do not work to help them advance. A key finding for the Workforce Investment Act (WIA), for example, is that the One-Stop Centers can broaden their mission and culture to serve low-wage workers but that access to funds for training may be a key component. More broadly, the findings speak to the efficacy of career coaching, the role that work supports can play in either supporting or hindering advancement, and the need for more guidance for workers as they pursue the training that has become increasingly necessary to move ahead in today's labor market.

Gordon L. Berlin
President

Acknowledgments

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

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

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

Several people provided help with securing the necessary data: Fran Hersh, Vickie Maddux, Mary Lou Owens, Staci Wise, David Bastian, Ernest Jackson, Michelle Albast, Steven H. Hufford, and Robert Bergin at the Ohio Department of Job and Family Services; Heath MacAlpine, Erthale Barnes, and Vickie Mosier from the Montgomery County Department of Job and Family Services in Ohio; Aileen Douglas from the Employment Development Department in California; Patrick Valdivia, Roxanne Brown, Diane Francis, Donna Rodriguez, and Michael Cargal at the County of San Diego Health and Human Services Agency; Jolie Buberl at the Child Development Associates San Diego; Kathleen Ferenchak at the YMCA Childcare Resource Service San Diego; Jessica Mosier at the Workforce Partnership; Raphael A. Kassman, Louis V. Polzella, Craig Tyler, Theresa Emery, Peter J. Palermino, Ellen Tracy, and Rose T. Ciarcia at the Department of Social Services in Connecticut; Tony Lapenta and Bob Nashner at the Affiliated Computer Services Connecticut; and Liam McGucken and Andrew Conden at the Connecticut Department of Labor.

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with the exchange, logging, and archiving of data files for the project. Albert Fang, Anne Warren, Aaron Hill, and Paulette Staum programmed the data and assisted in the analysis. Daniel Schlaff coordinated production of the report. Robert Weber edited the report, and David Sobel and Stephanie Cowell prepared it for publication.

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

The Authors

Executive Summary

This report presents the findings from the Work Advancement and Support Center (WASC) demonstration, which studied a program designed to increase the incomes of low-wage workers. The program offered participating workers intensive employment retention and advancement services, including career coaching and access to skills training. It also offered them easier access to work supports, in an effort to increase their incomes in the short run and help stabilize their employment. A unique feature of WASC is that all of its services were provided in a single location: the One-Stop Career Centers created by the Workforce Investment Act (WIA) of 1998.

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

The program was run in One-Stop Centers in three cities across the United States — Bridgeport, Connecticut; Dayton, Ohio; and San Diego, California — and it offered services to participating workers for two years. It was evaluated using a random assignment research design, in which individuals eligible for the demonstration were assigned at random to the WASC group or to a control group. The WASC group was eligible to receive WASC benefits and services, while the control group was not eligible for WASC services but could seek out existing services in the community. The impact of WASC is assessed by comparing outcomes for the WASC group and the control group. This is the final report in a series of reports prepared for the demonstration, covering effects on workers' benefit receipt, employment, and earnings for three to four years after study entry.

Key findings include:

- The program increased workers' receipt of work supports, although the effects varied substantially across the three sites. The largest effects were in the site that had the lowest rates of work support receipt at baseline.
- The two programs that succeeded in simplifying access to funds for training substantially increased workers' participation in education and training activities and their receipt of certificates and licenses.

- The two programs that increased participation in education and training also increased earnings in Year 3, although the effects in one of those sites had faded somewhat by Year 4.

The WASC Model

The WASC model included the provision of retention and advancement services and simplified access to financial work supports — all offered in one location by colocated units of workforce and welfare staff. Key work supports included food stamps, medical insurance for adults (Medicaid) and for children (Medicaid and the State Children’s Health Insurance Program, or SCHIP), subsidized child care, and both the federal and the state Earned Income Tax Credit (EITC) and the federal Child Tax Credit (CTC).¹ Services were offered to participants for up to two years. Key elements of the model include the following:²

- **Career coaching.** Coaches worked with participants to identify and pursue short- and long-term advancement goals; move up at their current employers or find better jobs elsewhere; or, for those with unstable employment, identify and address barriers to job retention.
- **Skills development.** Staff referred participants to education and training programs and helped them secure funding to cover the costs, through WIA or other funds, which typically paid full tuition costs.
- **Education about available work supports.** Staff used a Web-based tool called the “Work Advancement Calculator,” which uses household information to identify all the benefits for which participants appeared to be eligible and to calculate the likely effect of these benefits on household income.
- **Simplified procedures to apply for work supports.** Staff assisted participants with applications for all programs, reduced the amount of documentation required across different programs, extended the interval between recertification for benefits, and offered nonstandard office hours.

¹The Food Stamp Program was renamed the “Supplemental Nutrition Assistance Program” (SNAP) in 2008. To be consistent with earlier reports on WASC, this report continues to use “food stamps” in reference to SNAP.

²WASC planners had hoped that a key feature of the model would be to offer services to groups of participants at their workplaces, which would make participation more convenient and would strengthen ties with employers. For reasons discussed in an earlier report, however, providing services at the workplace did not turn out to be a key feature of the WASC model as it was actually implemented. See Cynthia Miller, Betsy L. Tessler, and Mark van Dok, *Strategies to Help Low-Wage Workers Advance: Implementation and Early Impacts of the Work Advancement and Support Center (WASC) Demonstration* (New York: MDRC, 2009).

- **Services provided in one place.** Staff from the workforce and welfare systems were colocated not just in the same One-Stop Center but within the same unit within the center.

Although all three sites successfully implemented the general WASC model, the variation in resources available at each site led to some differences in terms of what features were emphasized. This variation suggests that the sites can be thought of as three different versions of the WASC model.

- **WASC in Dayton: Strong combination of coaching and access to training.** Access to very generous training dollars through WIA; discretionary funds to support additional training; incentives for training and sustained work; easier access to work supports, especially in redetermination for food stamps
- **WASC in San Diego: Mostly coaching.** Very limited access to funds for training; referral to free or low-cost training in community; focus on career coaching and advancing at current employer; easier access to work supports, particularly access to child care funding and application and redetermination for food stamps
- **WASC in Bridgeport: Mostly access to training.** Some access to funds for training through WIA; discretionary funds to pay for training outside WIA, available for broader range of training programs; easier access to work supports, including access to a work support specialist

The WASC Evaluation

Study enrollment began in Dayton and San Diego in fall 2005 and continued through early 2007 and late 2007, respectively. Bridgeport enrolled individuals into the study between fall 2006 and early 2008. WASC services were available to individuals in the WASC group for two years after study entry.

MDRC tracked outcomes for the study participants using a variety of data sources. A 12-month survey covers participation in education and training, benefit receipt, and work experiences in the first year after study entry. Administrative records data capture employment and earnings through Year 3 in Bridgeport and through Year 4 in San Diego and Dayton. Finally, records data provide information on food stamp receipt through Year 2 in Bridgeport and Year 3 in San Diego and Dayton.

WASC recruited two broad and sometimes overlapping target groups: (1) low-wage workers and (2) reemployed dislocated workers, or those who have lost a job and become reemployed at a lower wage rate. Data collected at study entry indicate that the program recruited a diverse segment of the low-wage worker population. For example, a majority of study participants are women, although only about half were single parents at enrollment. A majority of study participants are black or Hispanic, and a large fraction in one site are foreign born. Finally, less than half of all study participants were working full time when they entered the study, and most did not receive key fringe benefits from employers.

Key Findings

Overall, all three sites implemented WASC largely as designed, although they did it in different ways and to varying degrees. The program succeeded in delivering more streamlined and more integrated workforce development and work support services to its customers, although there were some challenges along the way. Staff sometimes had higher-than-desired caseloads, and they were hard pressed to provide as high-quality advancement coaching as was expected. The Bridgeport program struggled more than the other two programs, facing a smaller staff, repeated staff turnovers, and less flexibility, which hindered their ability to serve a working population; for example, staff were not able to extend their work hours to meet with working people after business hours or to meet them outside the WASC office.

Nevertheless, managers and staff at all three sites were able to implement a program that provided more proactive, more personalized attention than customers would likely have received in the absence of the program.

- **WASC staff provided easier access to work supports for customers.** WASC eased access to work supports by providing customers with more immediate access to staff who could help them with eligibility determination and the application process. These staff were able to reduce the amount of paperwork, consolidate forms, and conduct eligibility determinations across multiple work supports. On the 12-month survey, individuals in the WASC groups were much more likely than those in the control groups to respond that site staff both encouraged and helped them apply for key work supports, such as food stamps, Medicaid, child care, and the EITC.
- **WASC increased individuals' receipt of work supports, although the effects varied, with large and widespread effects in San Diego and no effects in Bridgeport.** In San Diego, WASC increased individuals' receipt of food stamps by 8 percentage points (from 29 percent for the control group to 37 percent for the WASC group). The program had similarly large effects in

San Diego on the use of publicly funded health care and on the receipt of child care subsidies. The primary effect in Dayton was a modest increase in food stamp receipt. Bridgeport's program had no effects on the receipt of any of the key work supports.

- **WASC staff provided a range of advancement services to participants.** At all three sites, individuals in the WASC group were more likely than those in the control group to say that they received help and encouragement with advancement, such as going to school or training, setting career goals, and getting a better job. The program in San Diego had the most widespread effects in terms of encouragement and help with advancement, including advancing at one's current employer. Yet that program was not able to offer eased access to funds for training, given that applying for funds through WIA was especially burdensome for working individuals.
- **WASC increased participation in education and training and the receipt of vocational licenses or certificates in Dayton and Bridgeport.** WASC in these two sites led to large increases in participation in education or training — increases of 23 percentage points in Dayton and 16 percentage points in Bridgeport. The increase in Dayton was in both vocational training and college courses, while much of the increase in Bridgeport was in vocational training. Both programs increased the fraction of individuals who had obtained a vocational license or certificate by the time of the 12-month survey.
- **WASC increased earnings in Year 3 in Dayton and Bridgeport. Effects in Dayton did not persist through Year 4, while data for Year 4 are not available for Bridgeport.** During the third year of follow-up in Dayton, individuals in the WASC group earned \$14,752, or \$1,152 more than their control group counterparts — an increase of 8 percent. The WASC program in Bridgeport led to a similar increase in earnings that emerged in Year 3. The effect on earnings in Dayton was somewhat smaller and was no longer statistically significant in Year 4.

Lessons from the WASC Demonstration

The WASC program represents an ambitious attempt to build the capacity of the workforce development system's One-Stop Career Centers to recruit a new population of low-wage workers into their offices, to help them obtain access to work supports, and to provide them with advancement services to increase their earnings. The findings offer lessons and suggestions

for the Workforce Investment Act as it serves incumbent workers but also for policies in general that aim to help these workers advance.

The One-Stop Career Centers created by WIA can broaden their mission and achieve the culture change necessary to serve low-wage workers. However, an important part of serving these workers is providing access to funds for training.

The One-Stop Centers participating in the demonstration were generally successful in implementing the WASC model, offering workers advancement and work support services in one location and with teams of staff. However, given the varying program rules across the localities, the sites differed in the extent to which they could offer these workers assistance with training. In particular, rules at the San Diego site made access to these funds very difficult. Findings from the other two sites suggest what might have occurred for participants in San Diego had they been able to get help with the costs of training.

A significant share of the workers who enrolled in the demonstration would have received one or more work supports on their own (in the absence of the program) or would have been ineligible to receive them. However, simplifying access to them can increase the use of work supports among workers who would have had low participation rates.

WASC had its biggest and most widespread effects on the receipt of work supports in San Diego, where the take-up of these benefits would have been relatively low, as indicated by take-up rates among individuals in the control group. The program in this site increased the receipt of food stamps, publicly provided health care coverage, and child care subsidies. In contrast, in Dayton and Bridgeport, where effects were either more modest or zero, control group receipt rates were higher, owing to state and local policies and possibly to the type of individuals who signed up for WASC services in these sites, which left no room for WASC to make a difference. The findings suggest additional consideration of where to target WASC services and whether they complement or duplicate ongoing state and county efforts. One aspect of how they might be complementary is the way in which they were offered as part of a package. The implementation findings suggest that offering access to work supports along with advancement services proved to be more convenient for low-wage workers and helped to reduce the stigma sometimes associated with applying for these benefits. In addition, many workers were drawn to the program because of the advancement services it provided, suggesting that simply offering easier access to work supports by itself might not attract many low-wage workers who would nonetheless be eligible.

Increasing the take-up of certain work supports that are not tied to work, such as food stamps, does not appear to promote advancement and may even discourage it.

Evidence from the San Diego site — where the WASC program increased the receipt of both food stamps and publicly provided health care coverage — suggests that these work supports, which are not conditioned on work, may have encouraged some individuals to reduce their work hours or not to move back into work as quickly as they would have otherwise. These findings are consistent with other research suggesting that benefit use discourages work because these benefits are taxed away as earnings increase.³ In addition, the implementation findings from all three sites suggest that some staff found it difficult to connect participants to work supports only to later try to convince them that they would be better off in the long run without these supports.⁴ The findings raise the question of whether receipt of work supports should be a key component of a program designed to promote advancement. At a minimum, this component should be coupled with strong retention and advancement services in order to counteract any potential work disincentives.

Generic career coaching, especially coaching focused on moving up in the current job, is unlikely to help individuals achieve earnings gains.

The San Diego site focused its advancement services largely on the coaching component, particularly coaching that focused on how to move up within one's current employer. The findings suggest that this service had little impact. Even in the other two sites, however, the type of coaching offered was fairly general and unlikely to have had much effect on advancement. In Dayton and Bridgeport, staff either facilitated access to funding for training — for those individuals who knew that they wanted to pursue training — or provided job listings and helped participants define goals and hone their interview skills. Few coaches possessed an in-depth knowledge of the local labor market, and none had connections to local employers.

Easier access to funding for training can increase participation rates. However, the earnings gains associated with this participation may be short-lived if participants are not given more guidance about the right types of training to pursue or about opportunities for additional training.

In both Dayton and Bridgeport, where WASC increased participation in education and training (much of it for the health care sector), positive effects on earnings emerged in Year 3. The timing of the effects suggests that they were caused by the increased training. In Dayton, however, where there is longer follow-up, these effects diminished somewhat by Year 4 and were no longer statistically significant. While the economic downturn may have played a role in the diminishing impacts, the findings suggest that individuals may need more assistance in terms of the types of training to pursue — particularly, training that is recognized by employers

³For evidence from the Food Stamp Program, see, for example, Hilary Williamson Hoynes and Diane Whitmore Schanzenbach, “Work Incentives and the Food Stamp Program,” Working Paper 16198 (Cambridge, MA: National Bureau of Economic Research, 2010).

⁴Miller, Tessler, and van Dok (2009).

and that leads to jobs in higher-paying, in-demand industries. Finally, workers may have trained for jobs that ultimately do lead to advancement, but advancing may require additional training beyond that obtained through their time in WASC. The Certified Nurse Assistant (CNA) certificate, for example, is certainly one step on the way to a higher-paying nursing position, but it is just the first step of a ladder on which the rungs are quite far apart. Staying ahead in today's labor market requires continuous skill building, and WASC may have offered low-wage workers an important first step.

EARLIER MDRC PUBLICATIONS ON THE WORK ADVANCEMENT AND SUPPORT CENTER DEMONSTRATION

*Career Advancement and Work Support Services on the Job:
Implementing the Fort Worth Work Advancement and Support Center Program.*
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2010. Mark van Dok.

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*Strategies to Help Low-Wage Workers Advance: Implementation and Early Impacts
of the Work Advancement and Support Center (WASC) Demonstration.*
2009. Cynthia Miller, Betsy L. Tessler, and Mark van Dok.

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2002. John W. Wallace.

“Work Support Centers: A Concept Paper.”
2001. John W. Wallace.

About MDRC

MDRC is a nonprofit, nonpartisan social and education policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Children's Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation's largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.