



Working Paper Series  
No. 17

**Child Care and Employment:  
Evidence from  
Random Assignment Studies  
of Welfare and Work Programs**

**Lisa A. Gennetian  
Charles Michalopoulos**

**June 2003**

*The authors welcome comments and discussion.*

**Primary funding for this paper was provided by the Federal Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, Field Initiated Grant No. 90YE0017/01.**



Copyright © 2003 MDRC. All rights reserved.

# The Next Generation Project

This paper is part of the Next Generation's working paper series. The Next Generation is a project that examines the effects of welfare, antipoverty, and employment policies on children and families. Drawing on rich data from recent welfare reform evaluations, the project aims to inform the work of policymakers, practitioners, and researchers by identifying policy-relevant lessons that cut across evaluations.

## **Foundation partners**

The Next Generation is funded by the David and Lucile Packard Foundation, William T. Grant Foundation, and John D. and Catherine T. MacArthur Foundation. Support for dissemination of MDRC's Next Generation publications has been provided by the J.P. Morgan Chase Foundation.

## **Research partners**

The project is a collaboration among researchers from MDRC, the University of Texas at Austin, Northwestern University, the University of California at Los Angeles, Syracuse University, the University of Oregon, New York University, and the Social Research and Demonstration Corporation.

## **Project directors**

Virginia Knox, Senior Research Associate, MDRC, 16 East 34<sup>th</sup> St., New York, NY 10016  
Email: [virginia.knox@mdrc.org](mailto:virginia.knox@mdrc.org); phone: (212) 640-8678

## **Project website**

For information about MDRC, Urban Change and the Next Generation, see [www.mdrc.org](http://www.mdrc.org).

## **For further information on this paper, address correspondence to:**

Lisa Gennetian (212) 532-3200; e-mail: [lisa\\_gennetian@mdrc.org](mailto:lisa_gennetian@mdrc.org)

Dissemination of MDRC publications is also supported by the following foundations that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Atlantic Philanthropies; the Alcoa, Ambrose Monell, Bristol-Myers Squibb, Fannie Mae, Ford, Grable, and Starr Foundations; and the Open Society Institute.

## Acknowledgments

The authors would like to thank Julie Isaacs, Martha Moorehouse, Virginia Knox, David Blau, and Phil Robins for their guidance and comments and Tracey Hoy and Tara Cullen for their analytical and research assistance.

The analyses underlying this work rely on data from the following program evaluations conducted by MDRC and its research collaborators. We are grateful to the studies' original sponsors for permitting us to analyze the data for the purpose of drawing cross-study policy lessons.

- Connecticut's *Jobs First* program, evaluated by MDRC under contract to the Connecticut Department of Social Services
- Florida's *Family Transition Program*, evaluated by MDRC under contract to the Florida Department of Children and Families
- Los Angeles' *Jobs-First GAIN Program*, evaluated by MDRC under contract to the Los Angeles Department of Public Social Services
- The *Minnesota Family Investment Program*, evaluated by MDRC under contract to the Minnesota Department of Human Services
- The *National Evaluation of Welfare-to-Work Strategies*, conducted by MDRC under contract to the U.S. Department of Health and Human Services. The Child Outcomes Study, which examined program impacts on young children, was conducted by Child Trends under subcontract to MDRC.
- The *Self-Sufficiency Project*, conceived by Human Resources Development Canada. The project was managed by the Social Research and Demonstration Corporation (SRDC) and evaluated by SRDC and MDRC.



## Introduction

The 1990s were a tumultuous time for low-income single-parent families. There was a dramatic increase in the number of families moving off of welfare into work (Haskins and Blank, 2001), and many of their children were placed into non-parental care (Council of Economic Advisors, 1997; Fuller and Kagan, 2000; Smith, 2001). During the same period, federal and state policies related to single-parent families also changed dramatically through expansions of the federal Earned Income Tax Credit (EITC), the overhaul of the welfare system through the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), and major changes in federal funding for child care, including a doubling of child care expenditures in the past two decades — a tripling for low-income families (Hofferth, 1993; Layzer and Collins, 2000).

There is little doubt that these policies increased employment and child care use. The components of states' Temporary Assistance for Needy Families (TANF) welfare policies — including requirements that most welfare recipients look for work, financial work incentives through the welfare system, and time-limited welfare — have been shown to encourage work and, in most cases, discourage welfare use (Bloom and Michalopoulos, 2001). A growing body of research on the EITC also indicates it has encouraged many single mothers to work (for example, Meyer and Rosenbaum, 2000).

Relatively little is known about how policies designed to increase employment affect child care use, and about the effects of child care policy on the employment and child care use of single parents. Economists have looked at the effects of child care prices and wages of single parents on employment decisions and hours of work as well as the hours and type of care (Connelly and Kimmel, 1999; Kimmel, 1995, 1998; Michalopoulos and Robins, 2002), the effects of child care subsidies on earnings (Witte, Queralt, Chipty, and Griesinger, 1998), and the effects of employment decisions and non-standard hours of work on child care decisions (Connelly and Kimmel, 1999; Kimmel and Powell, 2001). However, much of this emerging research does not examine the effects of policy, *per se*, on employment and child care decisions. Furthermore, this research consists of statistical studies that are based on debatable assumptions.

The purpose of this paper is to exploit an unusual source of information on the effects of welfare reform policies, and a large sample of data on single parents, to address three questions: (1) When welfare recipients go to work, what are their child care patterns? (2) Did increased work produced by welfare reform programs lead to increased use of child care, or did child care policies, by increasing use of child care, lead to increased employment? Or, are increases in employment and in child care use a result of both welfare reform programs and child care policies? (3) How did welfare and child care policies affect the use of child care subsidies and influence the effects of employment on child care use? Of particular interest is the effect of employment on child care for low-income single parents.

The data used in this paper come from more than a dozen pilot welfare programs that began between 1993 and 1996. In each case, the new welfare program was designed to encourage work, primarily through one of three policies: requirements that welfare recipients look for work or enroll in education or training; financial work incentives, which were designed to provide a financial inducement to work and increase family income when parents did work; and time limits, which encouraged families to leave welfare for work in order to replace lost benefits or to preserve their future eligibility for benefits. In addition, some of the pilot welfare reform programs included policies that were also designed to directly influence child care choices, for example by improving access or information about child care.

These new programs are special because each was studied using random assignment, in which individuals were assigned in a lottery-like process to either the new program (the program group) or to the existing welfare (AFDC) program (the control group). Random assignment ensured that differences that emerged between the program and control groups could confidently be attributed to the new policies. As will be described below, random assignment is exploited in this paper to investigate the links between employment and child care choices.

## The Studies, Policies and Data

### The Studies

The studies represent a broad range of areas, urban and rural, in the United States, and the follow-up data for these studies are collected over a broad time period from 1991 to 1999. The studies include the following programs and program models.

- **Labor Force Attachment (LFA) programs in Atlanta, Grand Rapids, and Riverside.**<sup>1</sup> These programs required most participants to look immediately for work, usually through a job club that lasted from one to three weeks. People who completed job search without finding a job were often then enrolled in adult basic education, vocational training, or work experience.
- **Education-focused programs in Atlanta, Grand Rapids, Riverside, Columbus, Detroit and Oklahoma City.** These programs emphasized education: most participants were initially placed into education and training programs, particularly adult basic education and vocational training. Columbus

---

<sup>1</sup>The Riverside programs discussed in this paper are *not* the same as the Riverside GAIN program studied by MDRC beginning in 1988. That program had some of the largest effects on employment seen in a random assignment evaluation of a welfare-to-work program, and is described in Riccio, Friedlander, and Freedman (1994).

tested two versions of the education-focused program with different forms of case management

- **Portland, Oregon, JOBS Program.** This was an employment-focused program that used job search for people who were considered ready to work, but allowed people who were thought to need more skills to enroll initially in short-term adult basic education or vocational training before looking for work. As a result, only about one-third of participants in the program were required to look for work immediately, one-third were allowed to participate in education or training, and one-third were not assigned initially to any activity. Like the three LFA programs, staff in Portland emphasized to clients that the goal of the program was to get a job. Unlike the LFA programs, however, Portland staff encouraged participants to wait until they found “good” jobs that paid more than the minimum wage, were full-time, and offered opportunities for advancement.
- **Minnesota Family Investment Program (MFIP).**<sup>2</sup> Begun as a pilot program in 1994 to test whether financial incentives would encourage welfare recipients to work, MFIP allowed working welfare recipients to keep more of their welfare benefit than under AFDC. For example, a mother of two who worked 20 hours per week and earned \$6 per hour received almost \$250 per month more in income under MFIP than under AFDC. In addition, MFIP required people who received welfare for 24 or more months over a three-year period to participate in employment and training services. MFIP’s services required most people to look for work and encouraged them to take jobs quickly, especially compared to the employment services for which the control group could volunteer. To understand the effects of MFIP’s financial incentive by itself, some individuals were assigned to a program (called MFIP Incentives Only) that offered them the financial incentive but did not require them to participate in employment and training services. Because of the treatment design, effects of MFIP are examined separately for long-term recipients, who were immediately required to participate in employment-related services, and recent applicants, who were not required to participate in employment-related services until they had been on welfare for 24 or more months over a three year period.

---

<sup>2</sup>MFIP became Minnesota’s statewide welfare program in 1998, although it was modified to include less generous financial incentives, mandatory welfare-to-work services for more of the caseload, and fewer opportunities for education and training.

- **Canada's Self-Sufficiency Project (SSP).** SSP offered a three-year earnings supplement to selected single-parent long-term welfare recipients in British Columbia and New Brunswick. The earnings supplement was a monthly cash payment available to single parents who had been on welfare for at least one year and who left welfare for full-time work (30 hours or more per week) within a year of entering the program. The supplement was paid on top of earnings for up to three continuous years, as long as the person continued to work full-time and remained off welfare. While collecting the supplement, an eligible single parent received an immediate payoff from work; in most cases, her total income before taxes was about twice her earnings.
- **Florida's Family Transition Program (FTP).** FTP was the first program to test the effects of time-limited welfare. People considered more disadvantaged were allowed to receive welfare for 36 months in a 72-month period before hitting the program's time limit, while others were allowed to receive welfare for 24 months in a 60-month period before hitting the time limit.<sup>3</sup> FTP also required participants to engage in employment and training services, and services for people in the FTP program were less focused on immediate employment than similar services for people in the old AFDC program. FTP also included a financial incentive that made work pay more than under the rules of AFDC. For example, a mother of two who worked 20 hours per week and earned \$6 per hour received almost \$80 per month more in income under FTP than under AFDC.
- **Connecticut Jobs First.** Jobs First began operating in January 1996 as Connecticut's TANF program. With a 21-month time limit, Jobs First had the shortest time limit in the country. In practice, however, most families that reached the time limit while the program was being evaluated were granted an extension if they had earnings that were less than their welfare grant plus \$90. In addition to the time limit, the program required welfare recipients to enroll in employment and training services that included both job search and basic education. Welfare recipients were also encouraged to work through the program's generous financial incentive, which allowed them to keep their entire welfare check and Food Stamp benefit as long as they were earning less than the federal poverty threshold.

---

<sup>3</sup>A person was given a 36-month time limit if she had received welfare for at least 36 of the 60 months prior to random assignment or if she was a high school dropout under 24 years of age with little or no recent work history.



- **Los Angeles Jobs-First GAIN Evaluation.** Operated from January 1995 to March 1998, Jobs-First GAIN was a strongly employment-focused mandatory welfare to work program that emphasized job search assistance and a strong pro-work message. Most features of Jobs-First GAIN continued under Los Angeles County’s TANF program, California Work Opportunity and Responsibility to Kids, which replaced Jobs-First GAIN in April 1998.

Results from the evaluations of these programs are available from MDRC, the funders of these studies such as the Department of Health and Human Services, or MDRC’s research partners.<sup>4</sup>

### **The Main Policy Components**

The programs analyzed in this paper and described above contained one or more of the following components. A brief summary of these components is also presented in Table 1.

- **Mandatory Participation in Employment and Training Services.** Since the early 1980s, welfare-to-work programs have tried to induce participation in approved activities or work by requiring welfare recipients to participate or face reduced benefits for not participating. Most of the programs analyzed in this paper used mandatory employment services, and their approaches fell into one of three broad categories: requiring most people to look for work, requiring most people to enroll in adult basic education or vocational education, or using a mix of mandatory job search and mandatory education. Fourteen programs analyzed in this paper included a participation mandate.
- **Financial Work Incentives.** Participation mandates generally do not increase income by themselves.<sup>5</sup> In response to this, some recent programs have tried to “make work pay” by allowing welfare recipients to keep a greater proportion of their welfare income as their earnings increase or by supplementing their earnings outside the welfare system. Five programs analyzed in this paper included a financial work incentive.

---

<sup>4</sup>Bloom et al. 2002 (for CT Jobs-First Program); Bloom et al., 2000 (for Florida’s Family Transition Program); Freedman, et al., 2000 (for the Los Angeles Jobs-First GAIN evaluation); Hamilton et al., 2000 (for the Labor Force Attachment, Education Focused programs and Portland JOBS program); Michalopoulos et al., 2000 (for Canada’s Self Sufficiency Project); and, Miller et al., 2000 (for the Minnesota Family Investment Program).

<sup>5</sup>Bloom and Michalopoulos, 2001.

- **Time Limits.** The 1996 federal legislation limited the amount of time federal funds could be used to provide cash aid. Two programs analyzed in this paper included a time limit on welfare receipt.
- **Expanded child care assistance.** Three of the programs analyzed in this paper (MFIP, MFIP Incentives Only, and FTP) also used economic and administrative means to assist families in meeting their child care needs. Three types of assistance were provided to program groups but not control groups: (1) access to a Child Care resource and referral (CCRR) agent at the welfare office as compared to having to visit a CCRR agent at a different office (in FTP), (2) up-front reimbursement to a child care provider rather than reimbursement to parents after the fact (in both MFIP programs), and (3) one year of extended child care benefits when moving from welfare to work (in FTP). Control group members were never denied the child care benefits and services that existed prior to implementation of a study (over time, this included expansions of child care resources). Although three of the programs contained expanded child care assistance to program group members, none of the studies tested child care policy as the sole or primary means of encouraging employment. Thus, it is never the case that a program explicitly tested the effects of child care assistance as compared to the effects of no child care assistance.

## Data and Outcomes

The studies analyzed in this paper collected three types of data: (1) demographic and socioeconomic characteristics at study entry; (2) longitudinal information on employment and welfare receipt from unemployment insurance records and public assistance records; and (3) information about employment, child care, and household and personal circumstances (sometimes including child well-being) from follow-up surveys generally conducted between 24 and 36 months after families entered a study.<sup>6</sup> The measures collected across these studies are roughly comparable, making a cross-study examination of employment and child care use among single parents possible. The sample sizes for each study are shown in Table 2, which shows that survey information is available for more than 20,000 families.

Table 3 presents selected characteristics of the single parents at study entry by study, or by site within study. A quick review of this table shows that at the beginning of the studies the parents were 28 to 33 years old, on average, most had never been married and had fewer than three children, and about half had a GED or high school diploma. The studies vary in the racial and ethnic composition of their welfare sample with some sites having predominantly black

---

<sup>6</sup>An exception is FTP, which administered its survey about 48 months after study entry.

parents (for example, NEWWS-Atlanta and NEWWS-Detroit) and others having a broader mix of white, black and Hispanic parents (for example, Connecticut Jobs First). In the majority of sites and studies, the parents had some prior work experience, and, with the exception of two (NEWWS-Oklahoma and MFIP recent applicants), 70 to 80 percent of the sample had been on welfare for at least 2 years prior to entering the study. Reports of problems with child care also vary by study or site within study with as few as 26 percent reporting any child care problems at study entry in SSP and as many as 73 percent reporting any child care problems at study entry in NEWWS-Grand Rapids.

All child care outcomes analyzed in this paper are for the month prior to the follow-up interview. Detailed descriptions of the outcome measures are in Appendix A. Child care outcomes were measured for all families with children younger than age 9 at baseline (approximately ages 2 to 13 years at time of follow-up interview). A family was considered to be using non-parental care if they did so on a regular basis (for example, once a week for 10 hours or more during the specified month) while a respondent was employed. Although this definition of child care use is somewhat restrictive, it is the only measure that is comparable across the studies examined in this paper. In particular, the analysis does not capture the use of irregular child care or regular child care arrangements that were used while the parent was not working.<sup>7</sup>

Subsidy use refers to any use of a child care subsidy from a public source (for example, program or welfare office) at the follow-up as reported by mothers during the survey interview. An exception was the FTP evaluation, which collected administrative records on subsidy use.

Many of the outcomes related to employment and welfare receipt were measured from administrative records data. Stability of employment and hours of employment were constructed from responses to the follow-up surveys. Cumulative income during the follow-up period is the sum of the respondent's income from earnings and welfare as measured from administrative records data. Total household income during the month prior to the follow-up interview is constructed from survey items about the various sources of income available to the family, including the earnings of other members of the household and child support income.

## **Conceptual Framework**

The objective of this paper is to explore the inter-relationships between policy, employment, and child care in order to better understand whether child care policies encourage employment or whether child care choices flow instead from employment choices. Figure 1

---

<sup>7</sup>Hotz and Kilburn, 1992, argue that an important minority of families use child care when parents are not working. This might be an especially important omission in these studies, since parents in some of the new welfare-to-work programs were required to participate in education rather than work.

provides a graphical representation of how the use of random assignment studies aids in addressing this overarching issue.

At the center of the figure are boxes representing various outcomes for families: employment, welfare use, income, and child care. Other important outcomes could have been added to these. The circle at the bottom of the figure represents the fact that economic conditions and demographics affect a family's outcome. A more robust economy makes it more likely that a parent will work and a working parent will probably make greater use of non-parental child care. Likewise, where a family lives and its social and ethnic group may influence its choices (Huston, Change, and Gennetian, 2001).

The two diamonds at the top of the figure represent employment and child care policies. Under the post-1996 welfare reform, most states have required most welfare recipients to look for work or enroll in short-term education in preparation for looking for work. Such a policy is clearly designed to affect employment, and by affecting employment it may also affect child care choices. As mentioned above, states and the federal government have greatly increased their spending on child care since 1996 both to support working parents and to make child care more accessible to them in order to encourage them to work.

Although demographics, economic conditions, and policies are likely to affect employment and child care, it is difficult to infer the exact mechanism by which they have these effects. States made many changes to their welfare reform policies in the wake of the 1996 reform that might directly affect either employment or child care. Likewise, economic conditions and demographics should affect both employment and child care decisions simultaneously.

For the analysis in this paper, the key to disentangling the effects of child care and employment policies comes from the circle in the middle of the figure: whether someone was randomly assigned to a program or control group. Most of the random assignment studies used in this paper were designed to increase employment. In other words, program group members in these studies were encouraged to work or required to do something work-related, but control group members in the studies were not. As discussed above, the new programs included one or more of the following: additional employment and training services, greater financial work incentives, and time limited welfare. Most of these random assignment studies offered the same child care assistance to families in both the program and control groups, however. If child care choices differed between program and control group families in those studies, it must be due to the extra employment that the programs generated. Likewise, if employment, earnings, and income were not affected by this set of programs, then it is assumed that they will not directly change families' child care decisions.

Ideally, we would also have information from random assignment experiments that were designed to influence child care directly, but that did not contain employment components

like those described above. Although such experiments are currently under way, data will not be available for several years. In every random assignment study in this paper, the new program differed from the old program in a way that was directly designed to change decisions about work. Although three programs included in this paper offered some sort of expanded or new child care assistance to program group members that was not offered to control group members, each of these programs also contained different employment-related policies for the program and control groups. In other words, for each program studied in this paper, child care decisions might have been affected by employment policies as well as child care policies.

To understand the effects of child care policies, therefore, requires more work and less confidence than understanding the effects of employment policies. In particular, it requires comparing results from one set of programs that changed both employment and child care services to results from a different set of programs that changed only employment-related services.<sup>8</sup> Our conclusions, therefore, are based on differences in the patterns of effects of the two groups of programs.

## Impacts of the Programs on Economic and Child Care Outcomes

Table 4 shows results for several non-child care related outcomes: whether the parent worked in the month prior to the follow-up survey, whether she received welfare in that month, and total income in that month. For each outcome, the first column shows results for the control group, while the second column shows the impacts of the various programs. In each case, the impact is calculated as the difference in mean outcomes between the program and control groups, regression-adjusted to control for a number of baseline and pre-random assignment characteristics such as prior employment experience, education, and age of the parent.<sup>9</sup>

---

<sup>8</sup>One other source of information might also be useful in helping to understand the effects of child care and employment policies. Policies faced by control group members differed from place to place, and that variation should have influenced behavior of parents in the control group. For example, parents in the Florida FTP study's control group were required to participate in employment-related services, but parents in most other sites did not face such a requirement. All else equal, parents in the FTP study should have been more likely to work, and differences in employment rates between the FTP control group and other control group members may yield useful information concerning the effects of such an employment policy. A fuller examination of the range of pre-existing employment, welfare and child care policies that may have affected the employment and child care of program and/or control group members in these studies is the future stage of this work.

<sup>9</sup>Experimental impacts were estimated on each of the comparable child care, employment and income outcomes that were constructed by estimating the following equation for each study:

$$Y_i = \alpha + \beta_1 P_i + \sum_{k=2}^K \beta_k X_{ki} + \varepsilon_i$$

where  $i$  = individuals in the study,  $Y$  represents the child care, employment or income outcome of interest,  $P$  is assignment to the program group,  $X$  is a vector of baseline char-

(continued)

There was a substantial amount of variation in the effects of the programs. Impacts on employment, for example, ranged from close to zero in several studies to more than 15 percentage points in Portland. Likewise, impacts on welfare receipt also varied across the programs. Most of the programs reduced welfare receipt, but the enhanced earnings disregards in MFIP allowed welfare recipients to stay on the rolls longer and therefore increased welfare receipt. Although most of the programs increase employment, most also reduced welfare receipt, and the offsetting effects left income largely unchanged. The only program that significantly changed income in the month prior to the survey was SSP, which increased income by \$166 per family.

Table 5 shows control group levels and program impacts for selected child care outcomes. Table 4 indicated that one-third to one-half of the parents (mostly single parents) were working at the time of the follow-up survey. Table 5 shows that approximately one-half to two-thirds of those working parents were using some form of regular nonparental child care while they worked, suggesting that most working parents rely on nonparental care, even for school-aged children. Although many of the parents in these studies were working and off of welfare (not shown in either table), few reported receiving child care subsidies (less than 15%), including transitional child care benefits. Total out of pocket expenditures for child care averaged about 5 to 10 percent of total household income.

Employment and child care use varied slightly by age of the youngest child in the family at study entry (not shown). Although rates of employment are similar for families with children of various age groups, use of child care while employed was much higher for families with children under age three at study entry than for other families. Likewise, reported use of child care subsidies was much higher for families whose youngest child was under the age of 6 at study entry than for families with older children.

Just as the programs showed substantial variation in their impacts on employment and welfare receipt, there is substantial variation in their impacts on child care outcomes. For example, several programs had virtually no effect on the use of paid care, but the Detroit program and the Full MFIP program for long-term welfare recipients increased use of paid care by more than 10 percentage points. Likewise, most programs had small effects on subsidy use, but the two Full MFIP programs increased use of subsidies by more than 10 percentage points. Finally, a

---

acteristics included as controls, and  $\varepsilon$  is a normally distributed error term.  $\beta_1$  represents the effect of the pilot welfare program on child care, employment or income. All control variables are measured pre-random assignment or at study entry and include prior employment and welfare history, marital status (divorced or never married), age of youngest child or number of children, educational attainment, and various indicators controlling for random assignment cohort, county or other study-specific features. A comparison of the variation of  $\beta_1$  across studies will give us some indication of if and how program impacts vary by their key policy features.

number of programs significantly increased the proportion of parents that paid for child care, but MFIP reduced the proportion of recent applicants that paid for child care.

### **Interrelationship Between Employment and Child Care**

The analytical framework and results described above lead to several interesting questions. First, did interventions that included a child care component lead to larger effects on employment than programs that did not? If they did, this suggests that assisting families with expanded child care services helped some of them to work. If they did not, there are a number of possible reasons why. For example, it may be that the pre-existing child care policies that both program and control group members had access to were quite generous, or helped families overcome many of their child care barriers. In this case, it would be impossible to detect the role of child care policies on employment or on child care use. In a related comparison, it may be that the expanded child care assistance, in those programs that provided it to program group families only, were not effective in changing families' child care decisions. This may be because the pre-existing policies were already quite effective leaving little room for improvement that could be attributed to the new or expanded child care policies.

A second set of questions relate to how employment affects child care choices. The programs that required participants to look for work should have increased use of child care only to the extent that people participated in the program and found work. It should not have increased child care directly. Over the longer term, programs that required people to enroll in education or training should also have changed child care choices only because they increased the amount that parents worked. On the other hand, programs that supplemented earnings may have changed child care choices through the increased income that parents had or by increasing ties to the welfare system or opportunities to access work supports.

### **Full Sample Results**

Figure 2 examines the relationship between employment and use of nonmaternal care by showing results from the programs on two dimensions. The horizontal axis represents the impact of a program on employment during the month prior to when a survey was administered. The vertical axis represents the impact of the program on use of nonmaternal care in the month prior to the survey. Dots to the bottom left of the figure represent programs that had little effect on either dimension. Dots toward the upper right of the figure represent programs that had relatively large effects on both dimensions.<sup>10</sup> The solid line in Figure 2 was drawn to best match the

---

<sup>10</sup>The relationship between program impacts on child care and employment as shown on Figure 2 represent a "slope" estimated via simple regression analysis, and does not necessarily imply a causal relationship between employment and child care.

outcomes of the various programs, by minimizing the sum of the squared distance between the dots and the solid line.

In Figure 2, programs with larger effects on employment tended to be those with larger effects on use of nonmaternal care. In fact, looking across programs, the results are consistent with the notion that nearly every parent who went to work because of the program also used nonmaternal care. (The slope of the solid line is 0.67.) This may seem tautological. If a single parent goes to work, then someone else must take care of the child when she is at work unless she works at home or the child is old enough to take care of himself. It is also possible that some programs changed the hours or scheduling of employment and thus required some working parents to begin using child care. Figure 2 suggests that the impacts of the programs were not concentrated among parents of children old enough to take care of themselves or among parents who relied on children to take care of themselves while they were at work.

More than half of the programs shown in Figure 2 used only mandatory employment services to encourage people to work. However, seven of the programs used financial work incentives, either by themselves or in conjunction with mandatory employment services, and two of the programs were TANF-type programs that combined participation mandates, financial work incentives and time limits. Although these programs are not indicated on the figure, the impacts of those programs on both employment and use of nonmaternal care are near the middle of the figure, which suggests that the relationship between employment and child care use is similar for programs with financial work incentives and time limits as for other programs.

There is also little evidence in Figure 2 to suggest that programs that provided extra child care assistance to program group members — shown as circles on the figure — had unusually large effects on use of nonmaternal care. The five results for these programs had effects on employment that ranged from less than 0 to more than 10 percentage points. Like the other programs, however, their effects on use of nonmaternal child care were similar to their effects on employment.

Although interventions with similar effects on employment had similar effects on nonmaternal care whether or not they contained a special child care component, child care policies did seem to affect the types of care that parents used. When welfare reform and employment programs offered child care assistance above and beyond what was offered to control group members, parents were more likely to use formal-center based care as opposed to informal, home-based care (Crosby, Gennetian, and Huston, 2001). This was particularly true for parents of preschool-aged children.

In addition to encouraging work and use of various types of child care, child care policies are often intended to increase parents' disposable income by reducing their expenditures on child care. Figure 3 compares impacts on whether parents used paid care (the horizontal axis)



with impacts on whether parents paid for care (the vertical axis). A program that increased the use of paid care more than it increased whether parents paid for care provided full subsidies to some parents who would have used paid care even without the program. These programs therefore would have increased the disposable income available to these families. Such programs would appear below the solid line shown on Figure 3.

Not surprisingly, there was a fairly close relationship between the impacts programs had on whether families paid for care and their impacts on whether families used paid care. Looking across all programs, every percentage point increase in the impact on paid care was associated with essentially a one-percentage point increase in the impact on whether a family paid for care. However, there was a sharp difference between programs that provided an extra child care component (shown as circles in the figure) and those that did not (shown as squares). Four of the five estimates from programs that provided extra child care assistance appear below the line in Figure 3. These four estimates come from the evaluation of MFIP, which paid providers upfront for services (but which provided equally valuable subsidies for control group and program group children). Two of the MFIP results show a reduction in the proportion of families that paid for care while showing no effect or an increase in the use of paid care. The other two MFIP results show substantial increases in the use of paid care but little effect on the number of parents paying for care. The other program with a special child care component was FTP, which provided resource and referral staff in the welfare office but subsidized control and program group members in the same way. This suggests that the method of payment, or streamlining of child care information, can influence whether families use subsidies or whether they pay for care, even if the amount of the subsidy is in principle the same. Such hurdles in the child care subsidy system have been documented in recent research (Layzer and Collins, 2000; Adams, Snyder, and Sandfort, 2002).

Figure 4 investigates a different aspect of subsidy use by comparing programs' effects on employment to their effects on whether care was subsidized. Impacts on subsidy use spanned a similar range across programs regardless of whether the programs had small or large effects on employment. Thus, differences in subsidy use do not seem to be explained by differences in parental employment. This suggests that parents were not receiving subsidies solely because they initiated new employment. The same general patterns occur when examining impacts on full-time or stable employment and whether or not care was subsidized (not shown).

Could the expanded child care components be one explanation for the effects on subsidy use? In Figure 4, four of the five estimates for programs with a special child care component (shown as circles) are above the line, meaning that they increased subsidy use more than their effects on employment would lead you to expect. As in Figure 3, these four estimates come from the MFIP, which subsidized providers of care for program group children upfront rather than after the fact. Thus, the child care policies embedded in these welfare reform pro-

grams played some partial role in increased subsidy use, a finding consistent with analyses conducted on these and additional random assignment studies (Gennetian et al., 2002).

If increases in employment, even in full-time or stable employment, are not related to increases in subsidy use, what is? Figure 5 compares impacts of the various programs on whether sample members received welfare in the month prior to the survey with their effects on subsidy use. The slight upward slope of the line implies that programs that increased use of welfare (for example, because they included enhanced earnings disregards that made it easier for people to combine work and welfare) also tended to increase use of subsidies, while programs that reduced welfare use tended to reduce use of subsidies. This relationship is far from perfect, however, and largely driven by the MFIP program that included both an enhanced income disregard as well as an expanded child care policy. As a counterexample, the Portland JOBS program, which is represented by the leftmost square on the figure, reduced welfare use by nearly 15 percentage points, but increased use of subsidies by about 5 percentage points. Likewise, the Riverside LFA program, which is the second square from the left, had the second largest reduction in welfare use but increased use of subsidies slightly.

The fact that both programs with large reductions in welfare receipt and those with large increases in welfare receipt had relatively large effects on subsidy use suggests that programs with large employment gains (as indicated by their large reductions in welfare receipt) or those that increased ties to the welfare system increased subsidy use. In fact, when holding constant program effects on welfare use, each percentage point increase in the impact on employment is associated with a 1/4 percentage point increase in subsidy use. Likewise, holding constant program effects on employment, each percentage point increase in the impact on welfare use is associated with a 1/4 percentage point increase in use of subsidies. The magnitude of the increase in subsidy use in both cases is still very small. The lack of a stronger or larger link between employment effects and effects on child care subsidy use and between welfare receipt and effects on child care subsidy use are not surprising given that (1) national statistics show that large proportions of eligible families do not actually use child care subsidies and (2) there is great variation in child care subsidy policies across states, and sometimes locally within states (Layzer and Collins, 2000; Adams et al., 2002).

### **Results for Those With and Without Child Care Barriers**

The previous section showed little evidence that programs with expanded child care assistance had larger effects on employment than programs that focused only on encouraging work. Instead, expanded child care policies were more directly related to the types of child care families used (Crosby et al., 2001) and whether they received subsidies that subsequently affected how much they paid out-of-pocket for care (Gennetian et al., 2002). Moreover, there was a one-to-one relationship between the programs' impacts on employment and child care use,

regardless of the child care policies that were used. The implication of this finding is that these expanded child care policies did not directly contribute to increased employment, but rather that changes in employment motivated families to use non-maternal care.

This section investigates whether or not this conclusion holds for families that reported having a child care barrier at the time they entered a study. There are several possible scenarios to consider in this kind of subgroup analysis. If expanded child care assistance is helping parents find employment, then programs with special child care help should have larger effects on both child care use and employment for those who report barriers to getting or keeping child care than for those without such barriers. If employment is motivating families to use non-maternal care and subsidies, then impacts on employment across all programs might be quite small for those with barriers. Finally, if impacts for those with barriers are similar to those without barriers for both programs with a child care component and those without such a component, this would shed some doubt on the importance of the expanded child care assistance as well as on whether the self-reported child care barrier really inhibits work.

Table 6 presents and compares impacts on six employment and child care outcomes for those who reported having a child care barrier (reported not being able to find someone to take care of their children if they got a job, could not go to school or job training because they could not afford child care or were afraid to leave their children in to the care of others), and those who did not report such a barrier. Figure 6 shows the relationship between employment and use of nonmaternal care for the two groups. The results are consistent with the hypothesis that employment gains cause parents to use non-parental care and make other changes in their child care arrangements.

There is little evidence that programs with expanded child care assistance had particularly large effects for those with barriers. The largest gains in employment for families with barriers were in the NEWWS programs, while the MFIP programs and FTP, both of which had an expanded child care component, had quite modest effects on employment.

There is also a close relationship between employment gains and increases in use of non-maternal care for both subgroups. There is no evidence that families facing child care barriers were more likely to use paid care or subsidies when they went to work compared with people without child care barriers.

The biggest difference in impacts between the two subgroups is in welfare receipt. While the MFIP programs, both Full MFIP and the Incentives-Only version, increased welfare receipt for those with child care barriers — in three of the four cases, by more than 10 percentage points — the MFIP programs caused much smaller increases in welfare receipt for those without child care barriers. The other major difference occurred in the Portland program, which

reduced welfare receipt by 23.9 percentage points among those without a child care barrier but only 9 percentage points for those with a barrier.

One possible reason that bigger differences did not emerge may be that the child care policies examined were not adequate for addressing the particular barriers faced by these families. If this were the case, however, then they should not have increased employment by similar amounts for the two groups. Another possibility is that the types of child care barriers that are likely to be addressed by child care policies may not have been measured well. A third possibility is that the child care policies that were offered to both program and control group members in the programs studied in NEWWS were sufficient to overcome the barriers for at least some families that faced them.

## **Discussion and Conclusions**

There is little doubt that changes in welfare policy during the 1990s played some role in increasing the employment of low-income single parents. Less is known about the influence of child care policies, particularly during this period of time in which tremendous expansions occurred in funding through the Child Care Development Fund and re-allocation of TANF resources. This paper explored the inter-relationships between policy, employment, and child care in order to better understand whether expanded child care policies encouraged employment among single parents, whether child care decisions flowed instead from employment decisions, with little influence of child care policies, or whether child care and employment decisions are influenced by both. Analyses on employment and child care were conducted using data from 6 random assignment studies of welfare reform programs representing 19 different welfare and work policies. Although the programs in these studies were not designed to explicitly answer questions about child care policy, some of them embedded expansions in child care assistance within the welfare and employment programs.

Did interventions that included an expanded child care component lead to larger effects on employment than programs that did not? The answer appears to be, “No,” which suggests that expanded child care policies did not increase employment or the movement from welfare to work. There is some evidence, however, that these programs were more likely to reduce child care problems that interfere with employment than programs that did not feature an expanded child care component (Gennetian et al., 2002).

There was also little evidence that the expanded child care policies embedded in these welfare reform programs influenced stable employment, full-time employment or transitions off of welfare. This suggests, perhaps unsurprisingly, that other policy features of the programs, including mandates, earnings supplements and time limits, played a greater role in affecting these outcomes. Or, it may suggest that the pre-existing child care policies were effective in

supporting parent's employment-related child care decisions for both program and control group families.

How does employment affect the child care choices of single parents? The results of the experimental analyses suggest that employment increased child care use, especially use of paid care, and not vice versa. Furthermore, the relationship between employment and child care was similar among parents who reported child care barriers at the start of the studies and those who did not. Despite the close relationship between employment and use of paid care, impacts on employment were seldom matched by increases in use of child care subsidies, indicating that many families have gone without child care subsidies when newly employed.

It is important to interpret the findings in this paper with caution because none of these pilot welfare programs changed only child care policies; all also changed their employment-related services. Moreover, two of the three programs that did have an expanded child care component were in Minnesota (as part of the MFIP evaluation) and one was in Florida. Since programs without expanded child care assistance did not operate in these same states or sites, it is not possible to untangle site differences from differences in programs. Finally, the expanded child care components examined here represented relatively modest changes in child care policy. For example, they did not include generous increases in the value of the child care subsidy, an aspect of child care policy that may be expected to influence employment and subsidy use. Nonetheless, the analyses conducted on these studies revealed a number of interesting patterns that are policy-relevant. Furthermore, the conclusions are generally supported by complementary analyses that were conducted on a broader set of pilot studies, some of which offered a financially generous child care subsidy that covered the cost of formal care to program group families (see Crosby et al., 2002; Gennetian et al., 2002).



# Appendix A

## Outcome Measures

The measures used in this report used the most recent follow-up survey and administrative data

**Used Child Care While Working in Prior Month.** This outcome was measured using survey responses to the following questions:

- NEWWS: “While you were/are working, were your child cared for in a regular child care arrangement?”
- SSP: “How many hours in the last month did you youngest child spend in child care greater than 0?”
- Connecticut Jobs First: “Has anyone besides you taken regular care of any children at least once a month for the past month?”
- Florida FTP: “Has anyone besides you taken regular care of any children at least once a month for the past month?”
- Los Angeles Jobs First Gain: “While you were/are working, were your children cared for in a regular child care arrangement?”
- MFIP: “I’d like to ask about any child care arrangements you may use while you are at work.”

**Used Paid Child Care While Working.** This outcome was measured using survey responses to the following questions:

- NEWWS: “Did you or anyone in your household pay anything for child care whether you were paid back or not? Did anyone else pay for part or all of the cost of child care?”
- SSP: “Was the cost of Child Care subsidized by the government?”
- Connecticut Jobs First: “How much in total did you pay for child care for all of your children out of your pocket? Please do not include any money for which you were reimbursed greater than 0.”
- Florida FTP: “How much in total did you pay for child care in past month for all of your children greater than 0?”

- Los Angeles Jobs First Gain: “Did you or anyone in your household pay anything for child care whether you were paid back or not? Did anyone else pay for part or all of the cost of child care?”
- MFIP: “Is person/program paid for taking care of your child?”

Connecticut Jobs First and Florida FTP also contained administrative record data on child care subsidy receipt in prior month.

**Respondent Paid For Child Care in Past Month.** This outcome was measured using survey responses to the following questions:

- NEWWS: “Did you or anyone in your household pay anything for any child care whether you were paid back or not?” If the reimbursement amount was equal to more than the amount program members reported paying, they were not counted as paying for child care.
- SSP: “How much did you pay for child care for all your children in the past month (should not include any subsidy paid to you directly)?”
- Connecticut Jobs First: “How much in total did you pay for child care for all of your children out of your pocket? Please do not include any money for which you were reimbursed greater than 0.”
- Florida FTP: “How much in total did you pay for child care in past month for all of your children greater than 0?”
- Los Angeles Jobs First Gain: “Did you or anyone in your household pay anything for any child care whether you were paid back or not?” If the reimbursement amount was equal to more than the amount program members reported paying, they were not counted as paying for child care.
- MFIP: “Who pays for this care?” If the response was “Respondent” then it was considered that study member paid for care.

**Total Out-of-Pocket Cost per Week for Child Care.** This outcome was measured using survey responses to the following questions:

- NEWWS: “How much did you or your household pay out per week for child care whether you were paid back or not? Were you reimbursed or paid back? How much were you reimbursed per week?”



- SSP: “How much did you pay for child care for all your children in the past month (should not include any subsidy paid to you directly).”
- Connecticut Jobs First: “How much in total did you pay for child care for all of your children out of your pocket? Please do not include any money for which you were reimbursed.”
- Florida FTP: “How much in total did you pay for child care in past month for all of your children?”
- Los Angeles Jobs First Gain: “How much did you or your household pay out per week for child care whether you were paid back or not? Were you reimbursed or paid back? How much were you reimbursed per week?”
- MFIP: “How much do you or your household usually pay per week for child care, whether you are paid back or not?”

The responses were subtracted from the amount reimbursed or subsidized where available to get the total amount. Monthly amounts reported in SSP, Connecticut Jobs First and Florida FTP were divided by 4.33 to get a weekly value.

**Income in Previous Month.** This outcome was measured using total household earning information from surveys.

**Employed in Month Prior to Survey.** This outcome was measured using survey monthly variables.

**Employed Full-Time in Month Prior to Survey.** This outcome was measured using survey monthly variables.

**Received Welfare in Month Prior to Survey.** This outcome was measured using administrative monthly variables.

## Subgroups

The study participants were divided into two subgroups of with and without child care barriers based on responses to two to four survey questions per program. The following lists the questions that were used in each program. If a study participant had at least one or any combination of the barriers, they were placed into the child care barriers group. This information was not

available for NEWS Columbus, Detroit and Oklahoma City, Los Angeles Jobs First Gain and Connecticut Jobs First.

### **NEWS**

- “If I got a job, I could find someone I trust to take care of my children.” Counted a barrier for those who replied disagree or disagree a lot.
- “I cannot go to school or job training program right now because I cannot afford child care.” Counted as a barrier for those who replied if agree or agree a lot.
- “I cannot go to school or job training program right now because I am afraid to leave my children in day care or with a babysitter.” Counted as a barrier for those who replied agree or agree a lot.

### **SSP**

- “Couldn't work last 4 weeks, no good child care.”
- “If I got a job, I could not find someone I trust to take care of my children.”

### **Florida FTP**

- “If I got a job, I could find someone I trust to take care of my children.” Counted as a barrier for those who replied disagree or disagree a lot.
- “I cannot work at a part-time job for 10 hours a week right now because I cannot arrange for child care.” Counted as a barrier for those who replied agree or agree a lot.
- “I cannot go to school or job training program right now because I am afraid to leave my children in day care or with a babysitter.” Counted as a barrier for those who replied agree or agree a lot.
- “I cannot work at a full-time job 40 hours a week right now because I cannot arrange child care.” Counted as a barrier for those who replied agree or agree a lot.

### **MFIP**

- “If I got a job, I could find someone I trust to take care of my children.” Counted as a barrier for those who replied disagree or disagree a lot.

- “I cannot work at a part-time job for 10 hours a week right now because I cannot arrange for child care.” Counted as a barrier for those who replied agree or agree a lot.
- “I cannot go to school or job training program right now because I am afraid to leave my children in day care or with a babysitter.” Counted as a barrier for those who replied agree or agree a lot.
- “I cannot work at a full-time job 40 hours a week right now because I cannot arrange child care.” Counted as a barrier for those who replied agree or agree a lot.

## References

- Adams, Gina, Kathleen Snyder and Jodi R. Sandfort. 2002. "Navigating the Child Care subsidy System: Policies and Practices that Affect Access and Retention." Series A. No. A-50. Washington, DC: The Urban Institute.
- Bloom, Dan, Susan Scrivener, Charles Michalopoulos, Pamela Morris, Richard Hendra, Dianna Adams-Ciardullo, Johanna Walter with Wanda Vargas. 2002. *Jobs First: Final Report on Connecticut's Welfare Reform Initiative*. New York: MDRC.
- Bloom, Dan, James J. Kemple, Pamela Morris, Susan Scrivener, Nandita Verma and Richard Hendra. 2000. *The Family Transition Program: Final Report on Florida's Initial Time-Limited Welfare Program*. New York: MDRC.
- Bloom, Dan and Charles Michalopoulos. 2001. *How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research*. New York: MDRC.
- Bloom, Dan, James J. Kemple and Robin Rogers-Dillon. 1997. *The Family Transition Program: Implementation and Early Impacts of Florida's Initial Time-Limited Welfare Program*. New York: MDRC.
- Connelly, Rachel and Jean Kimmel. 1999. "Marital Status and Full-time/Part-time Work Status in Child Care Choices." Kalamazoo, MI: Upjohn Institute Staff Working Paper No. 99-58.
- Council of Economic Advisers. 1997. "The Economics of Child Care." Washington DC. <http://www.whitehouse.gov/WH/EOP/CEA/html/childcare.html>.
- Crosby, Danielle A., Lisa A. Gennetian and Aletha C. Huston. 2001. *The Effects of Welfare and Employment Programs on Child Care for Preschool and Young School-Aged Children*. New York: MDRC.
- Freedman, Stephen, Jean Tansey Knab, Lisa A. Gennetian and David Navarro. 2000. *Los Angeles Jobs-First GAIN Evaluation: Final Report on a Work First Program in a Major Urban Center*. New York: MDRC.
- Fuller, Bruce and Sharon Lynn Kagan, and Jan McCarthy. 2000. *Remember the Children – Mothers Balance Work and Child Care under Welfare Reform*. Berkeley: Graduate School of Education-PACE. University of California-Berkeley.
- Gennetian, Lisa A., Greg J. Duncan, Virginia W. Knox, Wanda G. Vargas, Elizabeth Clark-Kauffman and Andrew S. London. 2002. *How Welfare and Work Policies for Parents Affect Adolescents: A Synthesis of Research*. New York: MDRC.
- Hamilton, Gayle with Stephen Freeman and Sharon M. McGroder. 2000. *Do Mandatory Welfare-to-Work Programs Affect the Well-Being of Children? A Synthesis of Child Research Conducted as Part of the National Evaluation of Welfare-to-Work Strategies*. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation and Administration for Child and Families; and U.S. Department of Education, Office of the Under Secretary and Office of Vocational and Adult Education.

- Haskins, Ron and Rebecca M. Blank. 2001. "Welfare Reform: An Agenda for Reauthorization." In Rebecca M. Blank and Ron Haskins (eds.). *The New World of Welfare*. Washington, DC: Brookings Institution Press.
- Hofferth, Sandra L. 1993. "The 101<sup>st</sup> Congress: An Emerging Agenda for Children in Poverty." in J. Chafel (ed.). *Childhood Poverty and Public Policy*. Washington, DC: The Urban Institute Press.
- Hotz, V. Joseph and M. Rebecca Kilburn. 1992. "Estimating the Demand for Child Care and Child Care Costs: Should We Ignore Families with Non-Working Mothers?" unpublished manuscript. University of Chicago.
- Huston, Aletha, Lisa A. Gennetian and Danielle Crosby. 2001. *Does Child Care Assistance Matter? The Effect of Welfare and Employment Programs for Very Young Children*. New York: MDRC.
- Kimmel, Jean. 1995. "The Effectiveness of Child-Care Subsidies in Encouraging the Welfare-to-Work Transition of Low-Income Single Mothers." *American Economic Review*. Vol. 85, No.2, pp. 271-275.
- Kimmel, Jean. 1998. "Child Care Costs as a Barrier to Employment for Single and Married Mothers." *Review of Economics and Statistics*. 80 (2), pp. 287-299.
- Kimmel, Jean, and Lisa M. Powell. 2001. "Nonstandard Work and Child Care Choices of Married Mothers" W.E. Upjohn Institute Staff Working Paper 01-74. Kalamazoo, MI.
- Layzer, Jean, and Ann Collins. 2000. National Study of Child Care for Low-Income Families: State and Community Substudy. Interim Report. Washington, DC: U.S. Department of Health and Human Services.
- Meyer, Bruce D., and Dan T. Rosenbaum. 2000. "Making Single Mothers Work: Recent Tax and Welfare Policy and its Effects." *National Tax Journal* 53(4): 1027-1062.
- Michalopoulos, Charles, and Philip K. Robins. 2002. "Child Care and Labor Supply of Single-Parent Families in the United States and Canada." *Journal of Population Economics*, 15(3): 465-493.
- Michalopoulos, Charles, David Card, Lisa A. Gennetian, Kristen Harknett, and Philip K. Robins. 2000. *The Self-Sufficiency Project and 36 Months: Effects of a Financial Work Incentive on Employment and Income*. Ottawa: Social Research and Demonstration Corporation.
- Miller, Cynthia, Virginia Knox, Lisa A. Gennetian, Martey Dodoo, Jo Anna Hunter, and Cindy Redcross. 2000. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program*. New York: MDRC.
- Riccio, James, Daniel Friedlander, and Stephen Freedman. 1994. *GAIN: Benefits, Costs and Three-Year Impacts in Six Counties*. New York: MDRC.
- Witte A.D., M. Queralt, T. Chipty, and H. Griesinger. 1998. "Unintended Consequences? Welfare Reform and the Working Poor." National Bureau of Economic Research Working Paper W6798. Cambridge, MA

**Table 1: The Programs and Their Key Policy Components**

| Program  | Mandatory<br>Employment<br>Services | Earnings<br>Supplements | Time Limits |
|--|-------------------------------------|-------------------------|-------------|
| <b>With expanded child care assistance<sup>a</sup></b>                             |                                     |                         |             |
| Family Transition Program (Florida)  | √                                   | √                       | √           |
| Minnesota Family Investment Program  |                                     |                         |             |
| Full   | √                                   | √                       |             |
| Incentives Only  |                                     | √                       |             |
| <b>With standard child care assistance<sup>b</sup></b>                             |                                     |                         |             |
| Jobs First (Connecticut)   | √                                   | √                       | √           |
| Los Angeles Jobs First Greater Avenues<br>for Independence                         | √                                   |                         |             |
| National Evaluation of Welfare-to-Work<br>Strategies (Tested programs in 11 sites) | √                                   |                         |             |
| Self-Sufficiency Project (Canada)  |                                     | √                       |             |

NOTES: <sup>a</sup>Programs with expanded child care assistance offered direct reimbursement of care to providers, access to child care resource and referral agents, and easier transitions to other care funding streams when people left assistance.

<sup>b</sup>Programs with standard child care assistance offered the same child care assistance to program groups as was available to the control groups: the subsidies and services provided under the AFDC and other federally funded programs during the 1990s. Depending on the site and local policies, standard assistance was not necessarily less generous or less extensive than expanded assistance.

**Table 2: Sample Sizes**

|                                  | Program Group | Control Group | Total |
|----------------------------------|---------------|---------------|-------|
| <b>NEWSWS</b>                    |               |               |       |
| Atlanta LFA                      | 804           | 1,086         | 1,890 |
| Grand Rapids LFA                 | 574           | 584           | 1,158 |
| Riverside LFA                    | 564           | 1,114         | 1,678 |
| Portland                         | 297           | 313           | 610   |
| Atlanta HCD                      | 1,113         | 1,086         | 2,199 |
| Grand Rapids HCD                 | 574           | 584           | 1,158 |
| Riverside HCD                    | 621           | 729           | 1,350 |
| Columbus Integrated              | 371           | 357           | 728   |
| Columbus Traditional             | 366           | 357           | 723   |
| Detroit                          | 210           | 216           | 426   |
| Oklahoma City                    | 259           | 252           | 511   |
| Canada SSP                       | 2,503         | 2,458         | 4,961 |
| Connecticut Jobs First           | 1,249         | 1,175         | 2,424 |
| Florida FTP                      | 860           | 869           | 1,729 |
| Los Angeles Jobs First GAIN      | 372           | 374           | 746   |
| <b>MFIP Recent Applicants</b>    |               |               |       |
| Full Services                    | 514           | 492           | 1,006 |
| Incentives Only                  | 217           | 492           | 709   |
| <b>MFIP Long-Term Recipients</b> |               |               |       |
| Full Services                    | 372           | 352           | 724   |
| Incentives Only                  | 366           | 352           | 718   |

SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWSWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

**Table 3: Selected Characteristics of Single Parents at Study Entry,  
by Study or Site within Study**

|                             | Average<br>Age | Never<br>Married | White | Black | Hispanic | 1 or 2<br>Children | 3 or<br>More |
|-----------------------------|----------------|------------------|-------|-------|----------|--------------------|--------------|
| <b>NEWWS</b>                |                |                  |       |       |          |                    |              |
| Atlanta                     | 32.8           | 60.5             | 3.5   | 95.2  | 0.8      | 69.9               | 30.1         |
| Grand Rapids                | 28.2           | 57.9             | 50.1  | 39.3  | 8.0      | 82.2               | 17.9         |
| Riverside                   | 32.0           | 32.5             | 49.0  | 16.7  | 30.2     | 70.6               | 29.4         |
| Columbus                    | 31.8           | 50.2             | 46.5  | 52.0  | 0.4      | 73.4               | 26.6         |
| Detroit                     | 30.0           | 68.0             | 11.0  | 87.3  | 0.8      | 73.3               | 26.7         |
| Oklahoma City               | 28.1           | 34.3             | 59.4  | 28.9  | 4.3      | 81.1               | 18.9         |
| Portland                    | 30.4           | 47.3             | 69.5  | 20.1  | 3.9      | 74.2               | 25.8         |
| Canada SSP <sup>a</sup>     | --             | 48.7             | --    | --    | --       | 86.2               | 13.8         |
| Connecticut Jobs First      | 30.7           | 65.7             | 37.6  | 39.1  | 22.4     | 67.7               | 22.4         |
| Florida FTP                 | 29.1           | 49.4             | 45.4  | 51.8  | 1.1      | 68.2               | 27.2         |
| Los Angeles Jobs First GAIN | 33.2           | 43.0             | 17.3  | 31.2  | 45.2     | 73.1               | 26.9         |
| <b>MFIP</b>                 |                |                  |       |       |          |                    |              |
| Recent Applicants           | 29.0           | 52.4             | 65.1  | 24.3  | 2.6      | 82.4               | 14.3         |
| Long-Term Recipients        | 30.4           | 64.0             | 52.8  | 34.8  | 1.7      | 64.6               | 30.1         |

|                             | GED or<br>High School <sup>b</sup> | Worked full-time for<br>same employer for<br>more than 6 months | Total Prior AFDC Receipt |                 |                      |
|-----------------------------|------------------------------------|---|--------------------------|-----------------|----------------------|
|                             |                                    |   | Less than<br>1 year      | 2 to 5<br>years | More than<br>5 years |
| <b>NEWWS</b>                |                                    |   |                          |                 |                      |
| Atlanta                     | 59.7                               | 71.4  | 19.2                     | 34.7            | 46.1                 |
| Grand Rapids                | 59.0                               | 63.8  | 22.2                     | 48.6            | 29.2                 |
| Riverside                   | 56.2                               | 71.0  | 34.8                     | 37.7            | 27.4                 |
| Columbus                    | 57.4                               | 42.5  | 18.3                     | 36.9            | 44.8                 |
| Detroit                     | 56.5                               | 48.1  | 16.5                     | 33.1            | 50.4                 |
| Oklahoma City               | 55.1                               | 68.8  | 63.2                     | 27.8            | 9.0                  |
| Portland                    | 67.3                               | 76.9  | 22.1                     | 48.7            | 29.3                 |
| Canada SSP <sup>a</sup>     | 35.2                               | --  | --                       | --              | --                   |
| Connecticut Jobs First      | 59.4                               | 57.4  | --                       | 22.3            | 35.9                 |
| Florida FTP                 | 54.3                               | 60.1  | 32.7                     | 39.8            | 27.6                 |
| Los Angeles Jobs First GAIN | 40.8                               | --  | --                       | --              | --                   |
| <b>MFIP</b>                 |                                    |   |                          |                 |                      |
| Recent Applicants           | 60.2                               | 69.1  | 71.0                     | 21.8            | 7.2                  |
| Long-Term Recipients        | 56.6                               | 53.5  | 4.0                      | 42.6            | 53.4                 |

(continued)



**Table 3 continued**

|                             | Reported<br>Child Care<br>Barriers | Reported No<br>Child Care<br>Barriers | Youngest<br>Child<br>Less than 3 | Youngest<br>Child<br>3 to 5 | Youngest<br>Child<br>Older than 6 |
|-----------------------------|------------------------------------|---------------------------------------|----------------------------------|-----------------------------|-----------------------------------|
| <b>NEWWS</b>                |                                    |                                       |                                  |                             |                                   |
| Atlanta                     | 66.2                               | 33.8                                  | 0.0                              | 49.7                        | 50.3                              |
| Grand Rapids                | 72.7                               | 27.3                                  | 28.9                             | 26.4                        | 44.6                              |
| Riverside                   | 71.4                               | 28.6                                  | 0.0                              | 45.2                        | 54.8                              |
| Columbus                    | --                                 | --                                    | 2.3                              | 43.0                        | 54.8                              |
| Detroit                     | --                                 | --                                    | 37.9                             | 24.5                        | 37.6                              |
| Oklahoma City               | --                                 | --                                    | 40.2                             | 23.3                        | 36.5                              |
| Portland                    | 68.8                               | 31.2                                  | 37.5                             | 25.9                        | 36.7                              |
| Canada SSP <sup>a</sup>     | 26.5                               | 73.5                                  | 30.5                             | 24.1                        | 45.3                              |
| Connecticut Jobs First      | --                                 | --                                    | 37.5                             | 25.4                        | 37.1                              |
| Florida FTP                 | 56.1                               | 43.9                                  | 43.0                             | 27.2                        | 29.9                              |
| Los Angeles Jobs First GAIN | --                                 | --                                    | 52.3                             | 25.0                        | 22.6                              |
| <b>MFIP</b>                 |                                    |                                       |                                  |                             |                                   |
| Recent Applicants           | 58.2                               | 41.8                                  | 42.9                             | 25.1                        | 31.9                              |
| Long-Term Recipients        | 67.5                               | 32.5                                  | 35.7                             | 35.8                        | 28.5                              |

SOURCES: MDRC calculations using data from information collected at baseline.

NOTES: See Appendix A for definition of child care barriers. Data on child care barriers was not available for NEWSS Columbus, Detroit and Oklahoma City, Connecticut Jobs First and Los Angeles Jobs First GAIN.

"--" indicates that the outcome was not measured in this study.

<sup>a</sup>In SSP: 22.1% were between the ages of 19 and 24. 9.0% were of First Nations ancestry. The average number of years worked was 7.4. 42.6% had been on assistance for 36 months prior to random assignment.

<sup>b</sup>GED not included for SSP.

**Table 4 : Impacts of Welfare and Work Programs on Income, Employment, and Welfare Receipt in the Month Prior to Being Surveyed**

|                           | Income in previous month (\$) |                      | Employed (%)  |          | Received welfare (%) |           |
|---------------------------|-------------------------------|----------------------|---------------|----------|----------------------|-----------|
|                           | Control group                 | Impact               | Control group | Impact   | Control group        | Impact    |
| <b>NEWS</b>               |                               |                      |               |          |                      |           |
| Atlanta LFA               | 971                           | 0                    | 38.3          | 1.8      | 66.9                 | -4.2 **   |
| Grand Rapids LFA          | 1356                          | -31                  | 52.5          | 5.3 *    | 52.1                 | -5.3 *    |
| Riverside LFA             | 1431                          | -22                  | 36.6          | 7.9 ***  | 59.1                 | -7.8 ***  |
| Portland                  | 1442                          | 77                   | 36.5          | 15.9 *** | 55.3                 | -13.9 *** |
| Atlanta HCD               | 971                           | 21                   | 38.3          | 0.6      | 66.9                 | -4.2 **   |
| Grand Rapids HCD          | 1356                          | -68                  | 52.5          | 2.1      | 52.1                 | -3.1      |
| Riverside HCD             | 1431                          | -22                  | 36.6          | 7.9 ***  | 59.1                 | -7.8 ***  |
| Columbus Integrated       | 1219                          | -66                  | 42.0          | 11.4 *** | 54.7                 | -12.7 *** |
| Columbus Traditional      | 1219                          | -8                   | 42.0          | 4.4      | 54.7                 | -1.2      |
| Detroit                   | 1124                          | 42                   | 36.2          | 9.5 **   | 71.7                 | 0.8       |
| Oklahoma City             | 1307                          | -133                 | 49.5          | 2.0      | 40.3                 | -5.7      |
| Canada SSP                | 1393                          | 166 <sup>a</sup> *** | 34.1          | 6.6 ***  | 68.5                 | -8.9 ***  |
| Connecticut Jobs First    | 1494                          | 73                   | 58.0          | 8.8 ***  | 38.5                 | -11.5 *** |
| Florida FTP               | 1379                          | 89                   | 59.8          | 3.3      | 16.0                 | -7.6 ***  |
| LA Jobs First GAIN        | -                             | -                    | 40.3          | 9.5 **   | 64.4                 | -3.6      |
| MFIP Recent Applicants    |                               |                      |               |          |                      |           |
| Full Services             | 1838                          | 75                   | 84.9          | 5.1 **   | 33.7                 | 7.1 **    |
| Incentives Only           | 1838                          | 85                   | 84.9          | 2.2      | 33.7                 | 9.8 **    |
| MFIP Long-Term Recipients |                               |                      |               |          |                      |           |
| Full Services             | 1460                          | -25                  | 73.7          | 11.6 *** | 59.0                 | 8.5 **    |
| Incentives Only           | 1460                          | -12                  | 73.7          | 9.9 ***  | 59.0                 | 7.7 **    |

SOURCES: MDRC calculations based on follow-up survey data and administrative records data from the following studies: NEWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

Two-tailed t-tests were applied to differences between the program and control group outcomes.

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

<sup>a</sup>SSP values for income are in Canadian dollars.

**Table 5: Impacts of Welfare and Work Programs on Selected Child Care Outcomes in the Month Prior to Being Surveyed**

|                                  | Used child care while working (%) |          | Used paid care while working (%) |          | Child care subsidized (%) |          | Paid for child care (%) |           | Weekly out-of-pocket child care cost (\$) |         |
|----------------------------------|-----------------------------------|----------|----------------------------------|----------|---------------------------|----------|-------------------------|-----------|---|---------|
|                                  | Control group                     | Impact   | Control group                    | Impact   | Control group             | Impact   | Control group           | Impact    | Control group                             | Impact  |
| <b>NEWS</b>                      |                                   |          |                                  |          |                           |          |                         |           |   |         |
| Atlanta LFA                      | 19.4                              | 1.2      | 13.3                             | 2.7 *    | 4.2                       | 4.0 ***  | 11.3                    | 0.1       | 3.7                                       | -0.3    |
| Grand Rapids LFA                 | 30.8                              | 5.6 **   | 23.4                             | 6.0 **   | 2.1                       | 1.8 *    | 23.2                    | 4.4 *     | 11.6                                      | 3.8 **  |
| Riverside LFA                    | 18.0                              | 7.9 ***  | 13.4                             | 4.4 ***  | 1.5                       | 1.2 *    | 12.7                    | 2.5       | 5.9                                       | 2.8 **  |
| Portland                         | 22.7                              | 10.4 *** | 18.9                             | 9.4 ***  | 9.5                       | 5.2 *    | 16.4                    | 6.7 **    | 9.8                                       | 2.8     |
| Atlanta HCD                      | 19.4                              | 3.0 *    | 13.3                             | 4.5 ***  | 4.2                       | 2.6 **   | 11.3                    | 2.7 *     | 3.7                                       | 0.8     |
| Grand Rapids HCD                 | 30.8                              | -1.5     | 23.4                             | -0.5     | 2.1                       | -0.5     | 23.2                    | -2.7      | 11.6                                      | -0.9    |
| Riverside HCD                    | 13.1                              | 6.5 ***  | 9.1                              | 5.8 ***  | 0.4                       | 2.2 ***  | 9.0                     | 4.5 **    | 4.1                                       | 4.3 *** |
| Columbus Integrated              | 21.7                              | 7.4 **   | 14.2                             | 7.4 ***  | 2.9                       | 0.8      | 12.9                    | 7.0 ***   | 5.3                                       | 3.8 *** |
| Columbus Traditional             | 21.7                              | 4.3      | 14.2                             | 4.8 *    | 2.9                       | 1.8      | 12.9                    | 3.3       | 5.3                                       | 1.7     |
| Detroit                          | 21.9                              | 9.0 **   | 16.6                             | 10.7 *** | 1.5                       | 2.6      | 16.0                    | 8.1 **    | 9.5                                       | 4.0     |
| Oklahoma City                    | 28.2                              | 5.4      | 20.6                             | 4.0      | 8.2                       | 1.5      | 17.8                    | 3.3       | 5.7                                       | 1.5     |
| Canada SSP                       | 14.8                              | 5.8 ***  | 12.2                             | 4.9 ***  | 7.3                       | 0.5      | 8.6                     | 5.5 ***   | 3.6 <sup>a</sup>                          | 2.8 *** |
| Connecticut Jobs First           | 41.0                              | 6.4 ***  | 28.0                             | 4.9 ***  | 15.0                      | 3.4 **   | 24.3                    | 2.0       | 12.1                                      | 1.7     |
| Florida FTP                      | 29.8                              | 2.0      | 13.7                             | 0.1      | 5.3                       | 1.1      | 9.1                     | 0.8       | 3.9                                       | -0.5    |
| LA Jobs First GAIN               | 25.4                              | 7.4 **   | 19.2                             | 3.0      | 2.4                       | -1.3     | 16.9                    | 3.5       | 17.3                                      | 3.8     |
| <b>MFIP Recent Applicants</b>    |                                   |          |                                  |          |                           |          |                         |           |   |         |
| Full Services                    | 61.1                              | 1.6      | 48.2                             | 2.5      | 13.6                      | 12.3 *** | 42.2                    | -10.2 *** | 26.8                                      | -6.1 ** |
| Incentives Only                  | 61.1                              | -1.3     | 48.2                             | -1.5     | 13.6                      | 8.8 ***  | 42.2                    | -8.6 **   | 26.8                                      | -9.6 ** |
| <b>MFIP Long-Term Recipients</b> |                                   |          |                                  |          |                           |          |                         |           |   |         |
| Full Services                    | 47.0                              | 9.9 ***  | 32.5                             | 12.9 *** | 12.8                      | 10.9 *** | 24.9                    | 3.3       | 10.4                                      | 2.7     |
| Incentives Only                  | 47.0                              | 6.2 *    | 32.5                             | 7.7 **   | 12.8                      | 9.3 ***  | 24.9                    | -0.8      | 10.4                                      | 0.1     |

SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

Two-tailed t-tests were applied to differences between the program and control group outcomes.

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

<sup>a</sup>SSP values for child care costs are in Canadian dollars.

**Table 6: Impacts of Welfare and Work Programs on Income, Employment, Welfare, and Selected Child Care Outcomes in the Month Prior to being Surveyed by Child Care Barriers**

**Reported Child Care Barriers**

|                           | Income in previous month (\$) |         | Employed (%)  |          | Received welfare (%) |          |
|---------------------------|-------------------------------|---------|---------------|----------|----------------------|----------|
|                           | Control group                 | Impact  | Control group | Impact   | Control group        | Impact   |
| <b>NEWWS</b>              |                               |         |               |          |                      |          |
| Atlanta LFA               | 955                           | 7       | 36.8          | 3.7      | 71.8                 | -7.4 *** |
| Grand Rapids LFA          | 1,342                         | 2       | 50.3          | 7.8 **   | 52.6                 | -4.2     |
| Riverside LFA             | 1,399                         | 83      | 33.4          | 9.5 ***  | 62.2                 | -6.3 *   |
| Portland                  | 1,396                         | 124     | 37.1          | 13.2 **  | 57.6                 | -9.0 *   |
| Atlanta HCD               | 955                           | 14      | 36.8          | 0.6      | 71.8                 | -7.4 *** |
| Grand Rapids HCD          | 1,342                         | -66     | 50.3          | -0.6     | 52.6                 | -1.7     |
| Riverside HCD             | 1,399                         | 83      | 33.4          | 9.5 ***  | 62.2                 | -6.3 *   |
| Canada SSP <sup>a</sup>   | 1,347                         | 166 *** | 24.2          | 2.9      | 78.3                 | -5.5 **  |
| Florida FTP               | 1,340                         | 141 *   | 55.6          | 4.4      | 16.6                 | -9.3 *** |
| MFIP Recent Applicants    |                               |         |               |          |                      |          |
| Full Services             | 1,802                         | 65      | 86.8          | 2.1      | 34.9                 | 12.1 **  |
| Incentives Only           | 1,802                         | 287     | 86.8          | -2.6     | 34.9                 | 9.6      |
| MFIP Long-Term Recipients |                               |         |               |          |                      |          |
| Full Services             | 1,369                         | 70      | 73.5          | 12.2 *** | 58.3                 | 11.4 **  |
| Incentives Only           | 1,369                         | 144     | 73.5          | 6.7      | 58.3                 | 13.5 *** |

**Reported No Child Care Barriers**

|                           | Income in previous month (\$) |         | Employed (%)  |          | Received welfare (%) |           |
|---------------------------|-------------------------------|---------|---------------|----------|----------------------|-----------|
|                           | Control group                 | Impact  | Control group | Impact   | Control group        | Impact    |
| <b>NEWWS</b>              |                               |         |               |          |                      |           |
| Atlanta LFA               | 1,038                         | -16     | 43.4          | 0.3      | 58.5                 | -0.9      |
| Grand Rapids LFA          | 1,425                         | -117    | 60.3          | -0.4     | 49.3                 | -5.9      |
| Riverside LFA             | 1,505                         | -156    | 44.4          | 0.9      | 48.6                 | -9.8 *    |
| Portland                  | 1,427                         | 111     | 36.3          | 21.8 *** | 49.4                 | -23.9 *** |
| Atlanta HCD               | 1,038                         | 29      | 43.4          | -0.2     | 58.5                 | -0.9      |
| Grand Rapids HCD          | 1,425                         | -86     | 60.3          | 6.5      | 49.3                 | -6.6      |
| Riverside HCD             | 1,505                         | -156    | 44.4          | 0.9      | 48.6                 | -9.8 *    |
| Canada SSP <sup>a</sup>   | 1,408                         | 169 *** | 37.7          | 8.0 ***  | 64.9                 | -10.1 *** |
| Florida FTP               | 1,418                         | 117     | 63.7          | 4.6      | 16.7                 | -7.0 ***  |
| MFIP Recent Applicants    |                               |         |               |          |                      |           |
| Full Services             | 1,911                         | 35      | 90.3          | 0.7      | 29.3                 | 8.5       |
| Incentives Only           | 1,911                         | -201    | 90.3          | 1.5      | 29.3                 | 5.8       |
| MFIP Long-Term Recipients |                               |         |               |          |                      |           |
| Full Services             | 1,786                         | -455 ** | 84.1          | 7.9      | 53.9                 | 8.7       |
| Incentives Only           | 1,786                         | -142    | 84.1          | 7.4      | 53.9                 | -6.7      |

(continued)

**Table 6 continued**

**Reported Child Care Barriers**

|                           | Use child care while working (%) |         | Used paid care while working (%) |          | Child care subsidized (%) |          |
|---------------------------|----------------------------------|---------|----------------------------------|----------|---------------------------|----------|
|                           | Control group                    | Impact  | Control group                    | Impact   | Control group             | Impact   |
| <b>NEWWS</b>              |                                  |         |                                  |          |                           |          |
| Atlanta LFA               | 20.9                             | 2.6     | 16.2                             | 3.3      | 5.2                       | 5.2 ***  |
| Grand Rapids LFA          | 32.2                             | 7.2 **  | 24.7                             | 7.4 **   | 2.3                       | 1.9      |
| Riverside LFA             | 18.8                             | 9.9 *** | 13.8                             | 6.6 **   | 2.0                       | 1.4      |
| Portland                  | 29.2                             | 7.8     | 25.8                             | 7.4      | 12.8                      | 6.4      |
| Atlanta HCD               | 20.9                             | 2.6     | 16.2                             | 2.1      | 5.2                       | 2.4 *    |
| Grand Rapids HCD          | 32.2                             | -1.8    | 24.7                             | -0.4     | 2.3                       | -0.6     |
| Riverside HCD             | 11.9                             | 9.6 *** | 9.1                              | 6.8 **   | 0.7                       | 2.2 *    |
| Canada SSP <sup>a</sup>   | 11.5                             | 3.3 *   | 9.9                              | 2.6      | 5.6                       | 1.4      |
| Florida FTP               | 27.5                             | 6.4 **  | 13.8                             | 2.9      | 5.9                       | 2.3      |
| MFIP Recent Applicants    |                                  |         |                                  |          |                           |          |
| Full Services             | 72.4                             | -3.4    | 55.5                             | 2.3      | 18.4                      | 12.8 *** |
| Incentives Only           | 72.4                             | -7.7    | 55.5                             | -10.6    | 18.4                      | 5.2      |
| MFIP Long-Term Recipients |                                  |         |                                  |          |                           |          |
| Full Services             | 54.8                             | 9.4 *   | 37.1                             | 13.7 *** | 16.0                      | 11.8 **  |
| Incentives Only           | 54.8                             | 0.6     | 37.1                             | 6.8      | 16.0                      | 9.6 **   |

**Reported No Child Care Barriers**

|                           | Used child care while working (%) |          | Used paid care while working (%) |         | Child care subsidized (%) |          |
|---------------------------|-----------------------------------|----------|----------------------------------|---------|---------------------------|----------|
|                           | Control group                     | Impact   | Control group                    | Impact  | Control group             | Impact   |
| <b>NEWWS</b>              |                                   |          |                                  |         |                           |          |
| Atlanta LFA               | 19.5                              | -0.7     | 10.4                             | 2.0     | 3.4                       | 2.1      |
| Grand Rapids LFA          | 27.9                              | 4.8      | 20.5                             | 5.6     | 1.9                       | 1.7      |
| Riverside LFA             | 16.4                              | 4.2      | 11.4                             | 2.2     | 1.8                       | 0.8      |
| Portland                  | 8.1                               | 16.7 *** | 7.6                              | 8.7     | 3.6                       | 2.2      |
| Atlanta HCD               | 19.5                              | 2.7      | 10.4                             | 7.5 *** | 3.4                       | 2.4      |
| Grand Rapids HCD          | 27.9                              | 0.3      | 20.5                             | 0.7     | 1.9                       | -0.5     |
| Riverside HCD             | 14.8                              | -2.5     | 12.6                             | -4.4    | 0.9                       | 1.0      |
| Canada SSP <sup>a</sup>   | 16.0                              | 6.6 ***  | 13.1                             | 5.7 *** | 7.9                       | 0.2      |
| Florida FTP               | 32.9                              | -0.6     | 12.8                             | -1.5    | 3.9                       | 1.0      |
| MFIP Recent Applicants    |                                   |          |                                  |         |                           |          |
| Full Services             | 56.5                              | -1.0     | 43.5                             | 1.8     | 8.3                       | 14.5 *** |
| Incentives Only           | 56.5                              | 0.0      | 43.5                             | 10.2    | 8.3                       | 8.5      |
| MFIP Long-Term Recipients |                                   |          |                                  |         |                           |          |
| Full Services             | 50.1                              | -2.8     | 32.1                             | 10.8    | 12.6                      | 1.5      |
| Incentives Only           | 50.1                              | 0.4      | 32.1                             | 8.4     | 12.6                      | 7.2      |

(continued)

**Table 6 continued**

**Reported Child Care Barriers**

|                           | Paid for child care (%) |           | Weekly out-of-pocket child care cost (\$) |        |
|---------------------------|-------------------------|-----------|---|--------|
|                           | Control group           | Impact    | Control group                             | Impact |
| <b>NEWWS</b>              |                         |           |   |        |
| Atlanta LFA               | 14.0                    | -0.9      | 5   | 0      |
| Grand Rapids LFA          | 24.4                    | 6.1 **    | 12  | 5 ***  |
| Riverside LFA             | 13.0                    | 4.3 *     | 6   | 4 **   |
| Portland                  | 22.4                    | 4.1       | 12  | 3      |
| Atlanta HCD               | 14.0                    | -0.1      | 5   | 0      |
| Grand Rapids HCD          | 24.4                    | -2.7      | 12  | -1     |
| Riverside HCD             | 9.1                     | 5.9 **    | 4   | 8 ***  |
| Canada SSP <sup>a</sup>   | 7.4                     | 2.0       | 3   | 1      |
| Florida FTP               | 8.5                     | 3.9 *     | 4   | 1      |
| MFIP Recent Applicants    |                         |           |   |        |
| Full Services             | 48.5                    | -13.1 *** | 30  | -4     |
| Incentives Only           | 48.5                    | -14.5 **  | 30  | -14 ** |
| MFIP Long-Term Recipients |                         |           |   |        |
| Full Services             | 29.1                    | 3.4       | 15  | 1      |
| Incentives Only           | 29.1                    | -3.5      | 15  | -2     |

**Reported No Child Care Barriers**

|                           | Paid for child care (%) |         | Weekly out-of-pocket child care cost (\$) |        |
|---------------------------|-------------------------|---------|---|--------|
|                           | Control group           | Impact  | Control group                             | Impact |
| <b>NEWWS</b>              |                         |         |   |        |
| Atlanta LFA               | 8.1                     | 1.5     | 3   | 0      |
| Grand Rapids LFA          | 20.6                    | 3.0     | 10  | 2      |
| Riverside LFA             | 10.9                    | 0.5     | 5   | 3      |
| Portland                  | 6.8                     | 6.4     | 8   | -2     |
| Atlanta HCD               | 8.1                     | 6.8 *** | 3   | 2 **   |
| Grand Rapids HCD          | 20.6                    | -1.7    | 10  | 1      |
| Riverside HCD             | 11.7                    | -5.6    | 5   | -2     |
| Canada SSP <sup>a</sup>   | 9.1                     | 6.7 *** | 4   | 4 ***  |
| Florida FTP               | 9.7                     | -1.8    | 4   | -2 *   |
| MFIP Recent Applicants    |                         |         |   |        |
| Full Services             | 38.4                    | -7.5    | 27  | -11 ** |
| Incentives Only           | 38.4                    | 0.4     | 27  | -13 *  |
| MFIP Long-Term Recipients |                         |         |   |        |
| Full Services             | 26.9                    | 3.1     | 9   | 2      |
| Incentives Only           | 26.9                    | -0.8    | 9   | 2      |

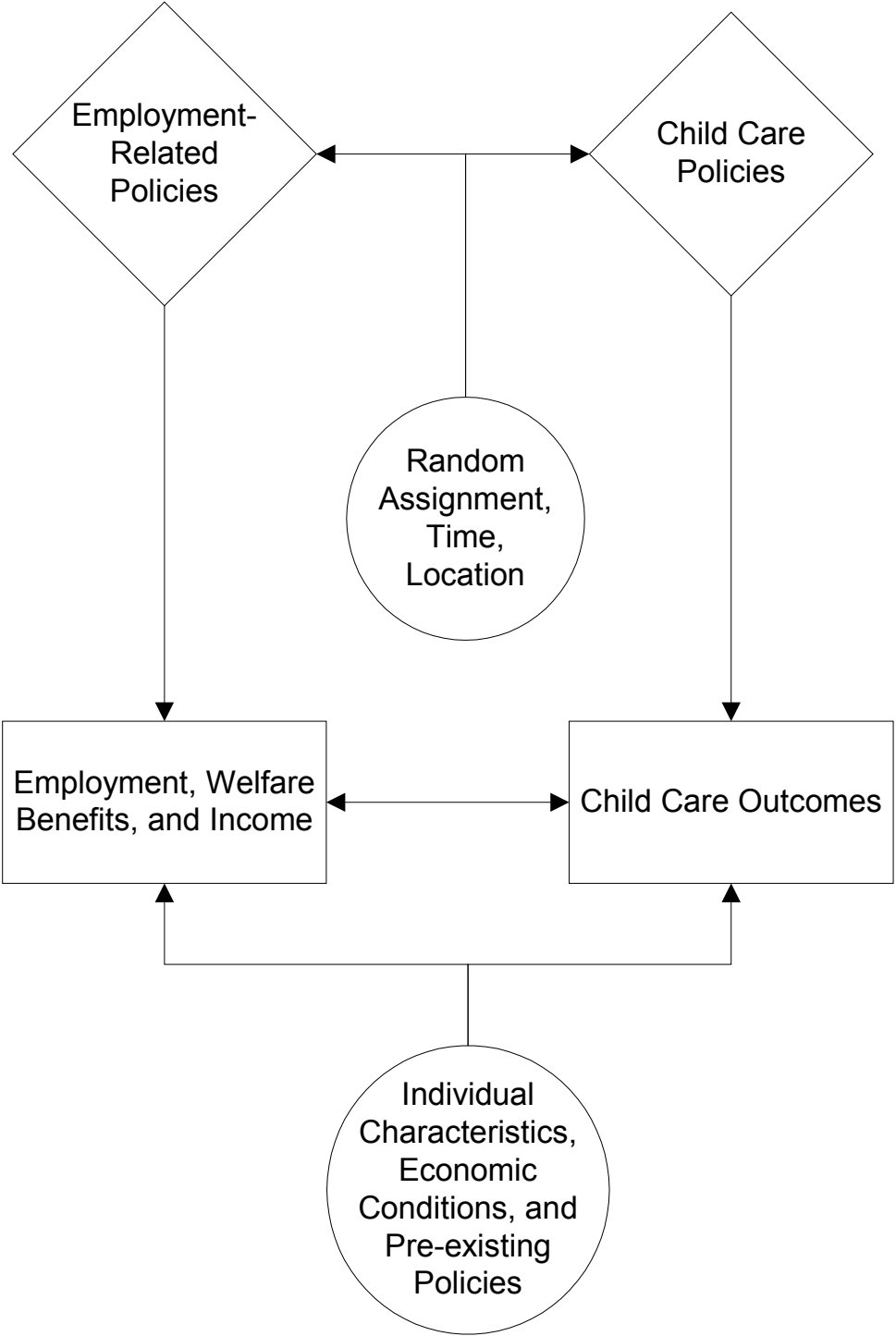
(continued)

**Table 6 continued**

SOURCES: MDRC calculations based on follow-up survey data and administrative data records from the following studies: NEWS (excluding Columbus, Detroit and Oklahoma City), SSP, FTP, and MFIP.

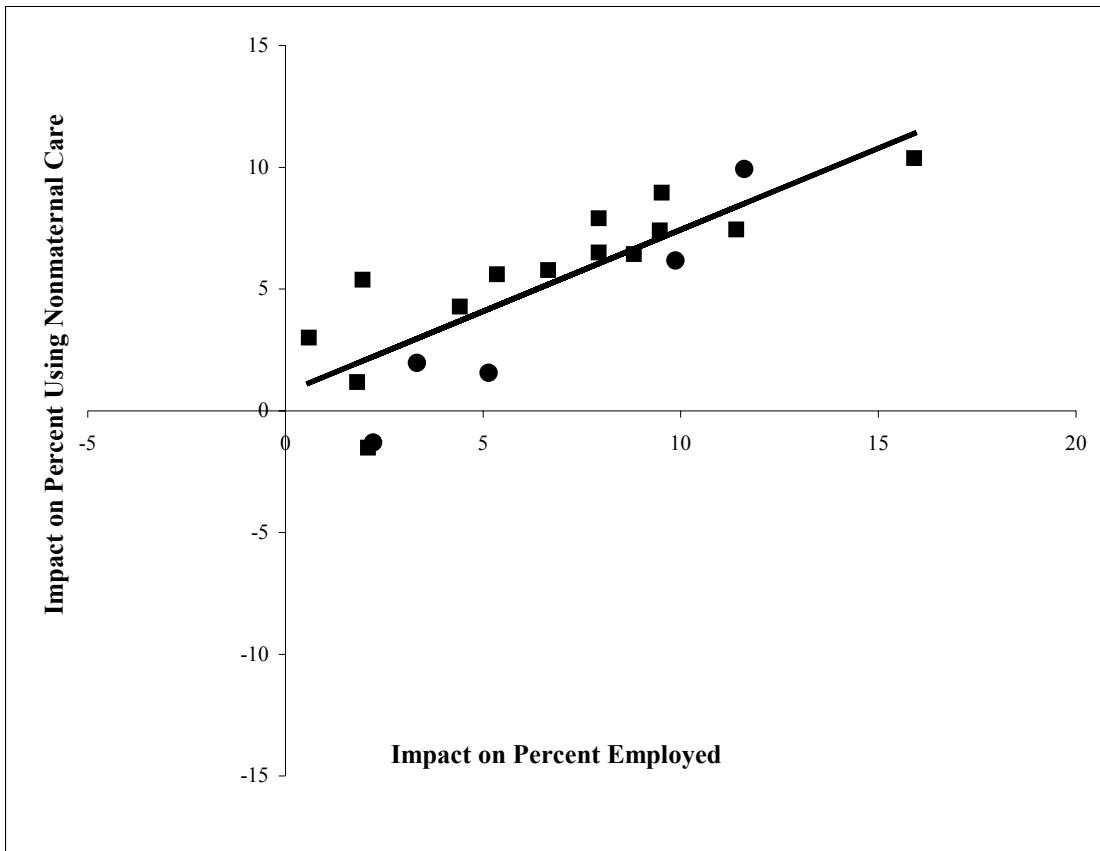
NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.  
Two-tailed t-tests were applied to differences between the program and control group outcomes.  
Statistical significance levels are indicated as: \* = 10 percent; \*\* = 5 percent; \*\*\* = 1 percent.  
SSP values for income and child care costs and income are in Canadian dollars.

**Figure 1**  
**Conceptual Framework for Understanding the Relationship of Welfare Reform Policy, Child Care Policy, Employment Outcomes, and Child Care Outcomes**





**Figure 2: Comparison of the Effects of Welfare and Work Programs on Employment with the Effects of the Same Programs on the Use of Nonmaternal Care**



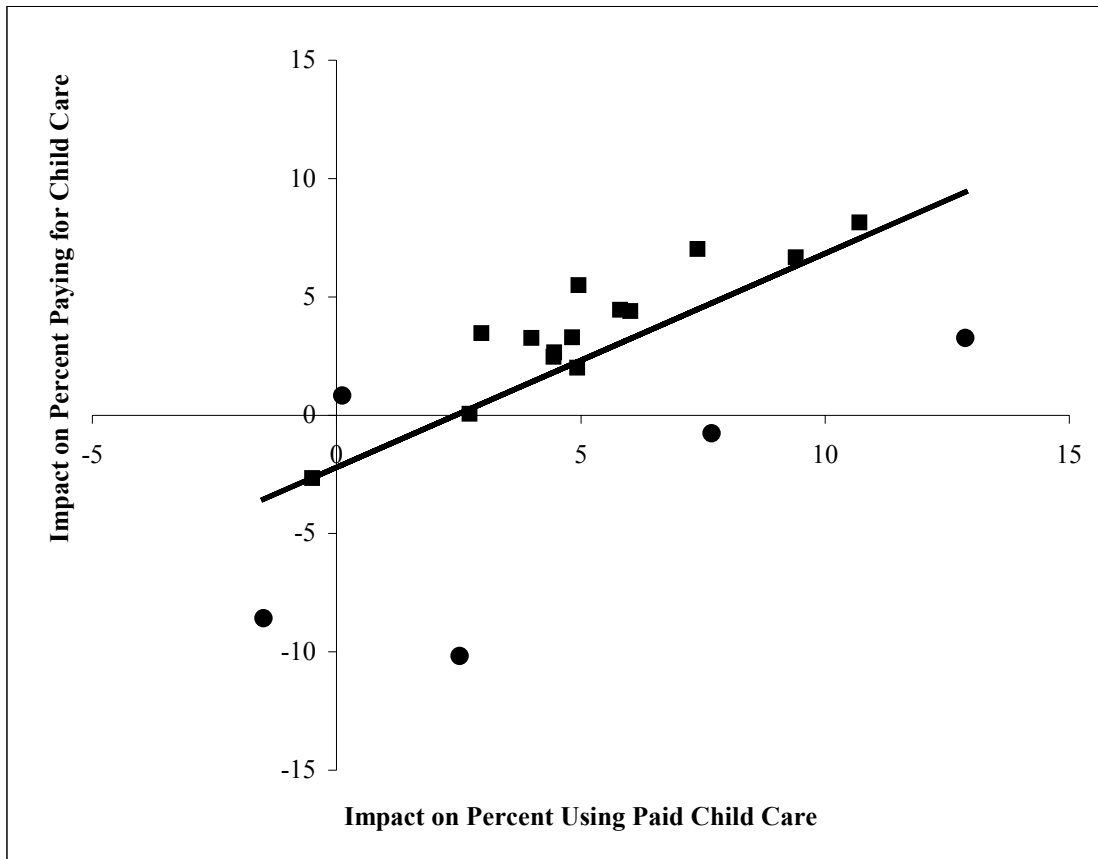
SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

■ = Represents impact from welfare and employment programs that offered the same level of child care assistance to program and control group members.

● = Represents impact from welfare and employment programs that offered an expanded level of child care assistance to program group members as compared to control group members.

**Figure 3: Comparison of the Effects of Welfare and Work Programs on Used Paid Care with the Effects of the Same Programs on Paid for Care**

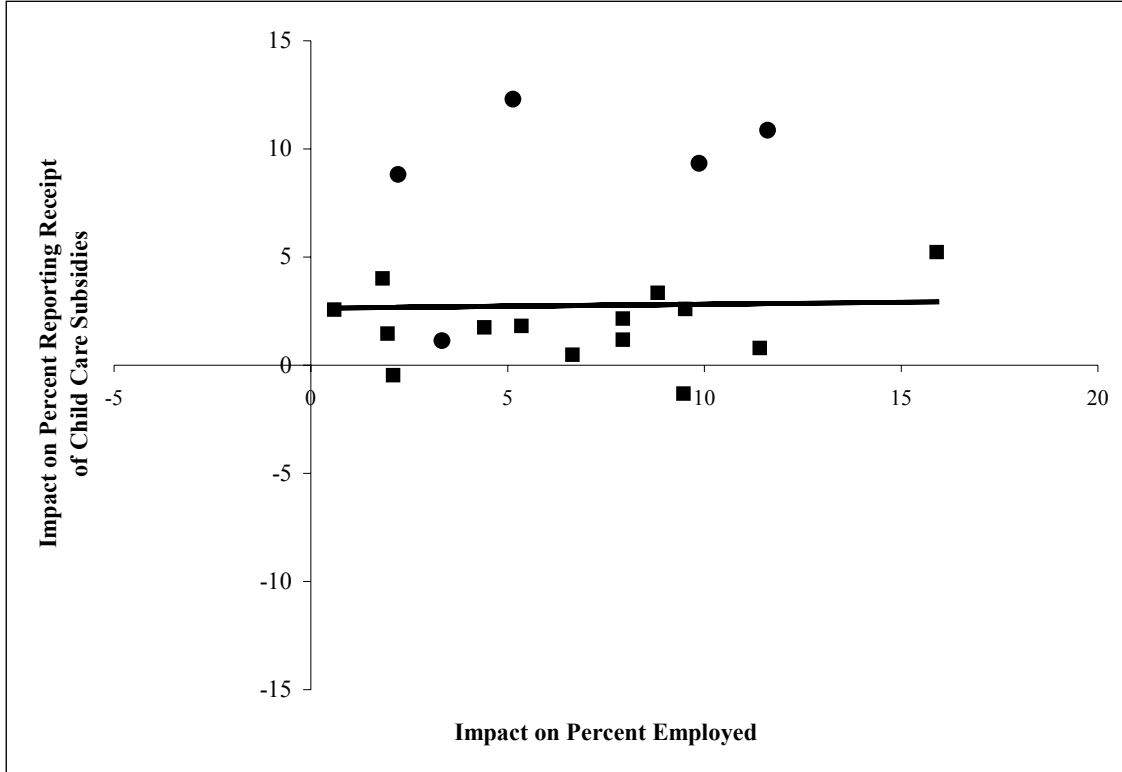


SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

- = Represents impact from welfare and employment programs that offered the same level of child care assistance to program and control group members.
- = Represents impact from welfare and employment programs that offered an expanded level of child care assistance to program group members as compared to control group members.

**Figure 4: Comparison of the Effects of Welfare and Work Programs on Employment with the Effects of the Same Programs on Reported Receipt of Child Care Subsidies**

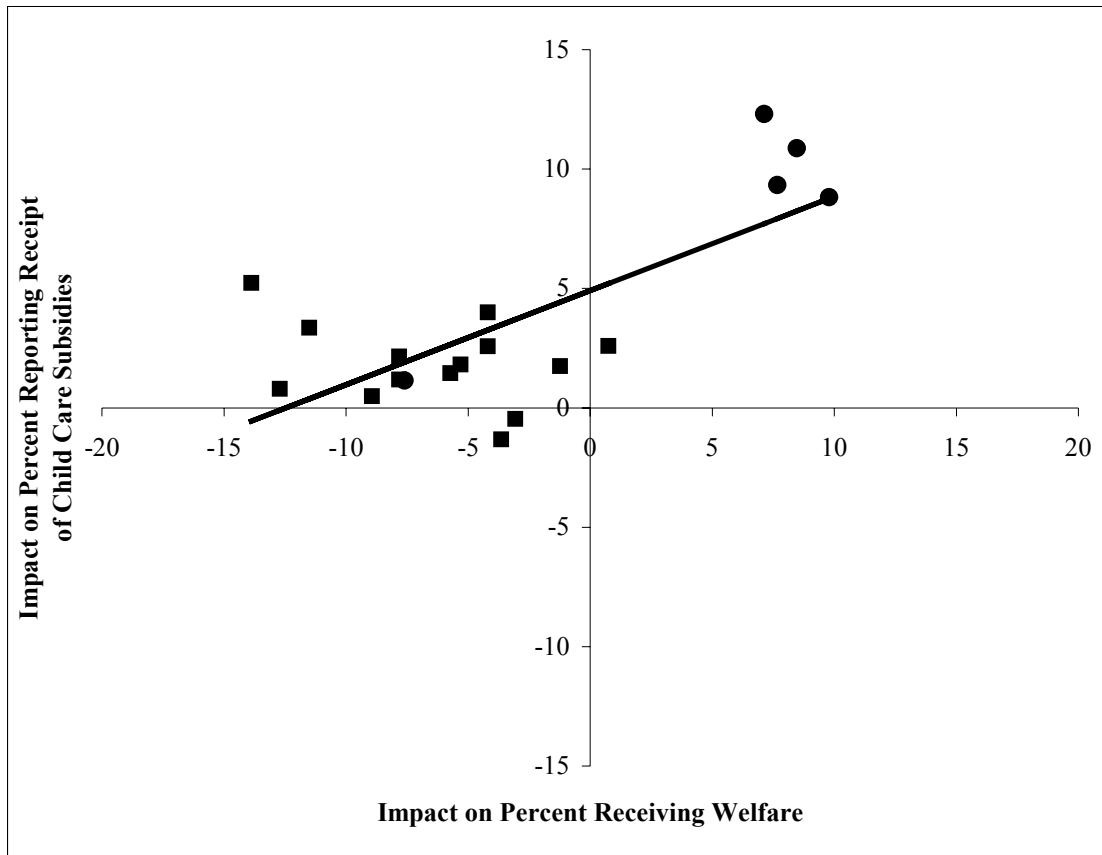


SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

- = Represents impact from welfare and employment programs that offered the same level of child care assistance to program and control group members.
- = Represents impact from welfare and employment programs that offered an expanded level of child care assistance to program group members as compared to control group members.

**Figure 5: Comparison of the Effects of Welfare and Work Programs on Welfare Receipt with the Effects of the Same Programs on Receipt of Child Care Subsidies**



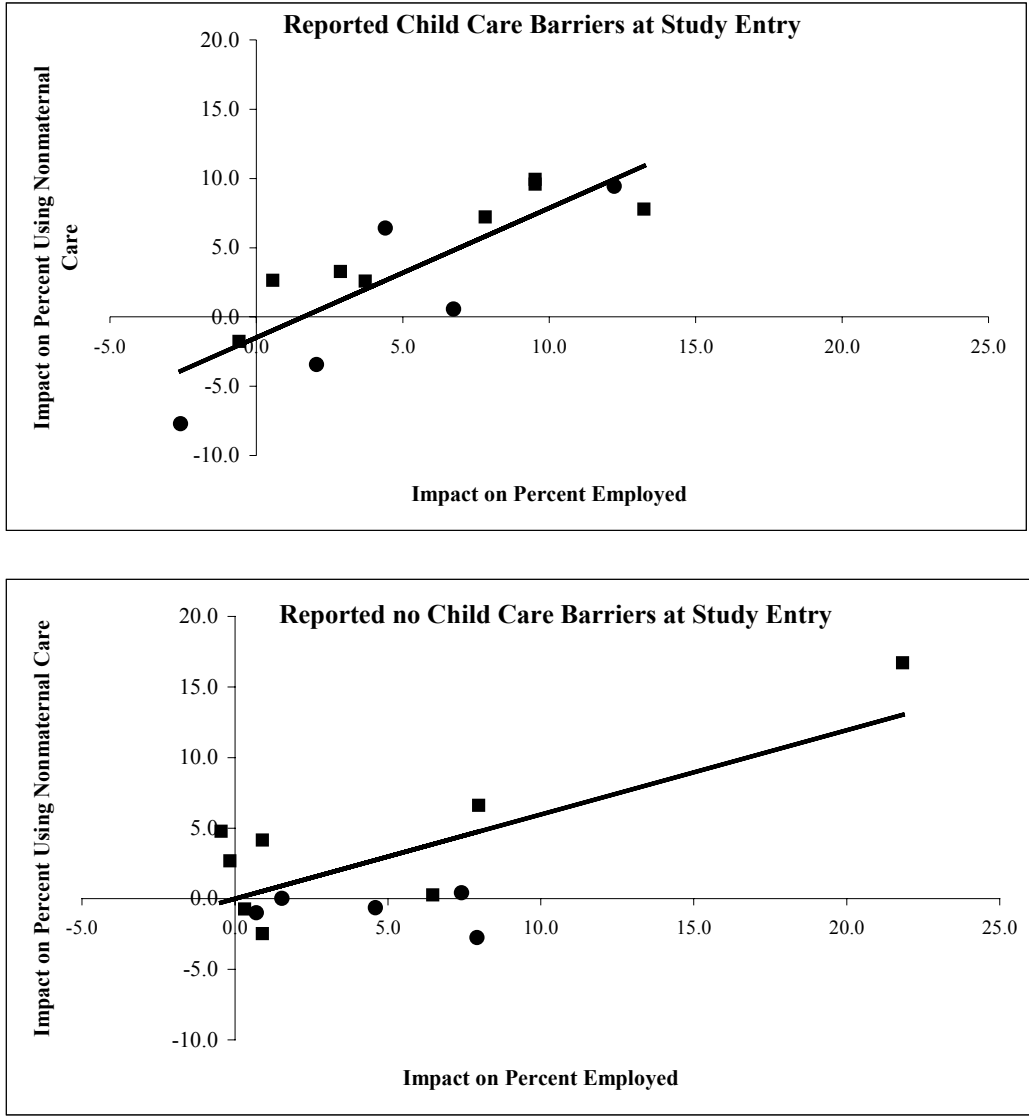
SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWWS, SSP, FTP, Connecticut Jobs First, Los Angeles Jobs First GAIN and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

■ = Represents impact from welfare and employment programs that offered the same level of child care assistance to program and control group members.

● = Represents impact from welfare and employment programs that offered an expanded level of child care assistance to program group members as compared to control group members.

**Figure 6: Comparison of the Effects of Welfare and Work Programs on Employment with the Effects of the Same Programs on Use of Nonmaternal Care by Reported Child Care Barriers at Study Entry**



SOURCES: MDRC calculations based on follow-up survey data from the following studies: NEWWS (excluding Columbus, Detroit and Oklahoma City), SSP, FTP, and MFIP.

NOTES: Estimates were regression-adjusted, controlling for baseline characteristics of sample members.

■ = Represents impact from welfare and employment programs that offered the same level of child care assistance to program and control group members.

● = Represents impact from welfare and employment programs that offered and expanded level of child care assistance to program group members as compared to control group members.