

WORK SUPPORT CENTERS: A FRAMEWORK

Brief Overview

In the years just prior to and following welfare reform in 1996, unprecedented numbers of low-income parents including welfare recipients moved into the workforce, though the majority secured employment in low-wage jobs that often do not pay enough to lift their families out of poverty. Federal and state governments, public agencies, and private organizations have responded to the need for programs that support low-income working families by developing services that promote job retention and advancement, and by expanding “work support” programs such as the Earned Income Tax Credit, Food Stamps, and subsidized health care. Both approaches show promise for raising family income and improving family well-being. Indeed, recently published, compelling research shows that earnings supplements can reduce poverty and have a range of other positive impacts on families and children.¹ However, other studies have shown that take-up rates for both job retention and advancement programs and work supports are low, and that even fewer families who are eligible for multiple programs receive the “full package” of employment services and work supports that are available to them.

As one way to address the need to increase participation in these programs, the Manpower Demonstration Research Corporation (MDRC) is exploring the feasibility of developing **Work Support Centers**—agencies whose mission is to increase low-wage workers’ access to the full range of job retention and advancement services and the array of available work supports. In addition, they would provide pre-employment services to the unemployed. MDRC is investigating a number of potential institutional “homes” for Work Support Centers, including One-Stops established under the Workforce Investment Act, Family Resource Centers, community colleges, and private employers. This framework paper outlines MDRC’s vision, rationale, and workplan.

Summary

Since the mid-1990’s, changes in workforce and welfare policies have presented public systems with a unique challenge—and opportunity—to address the needs of low-income working families. Between 1996 and 2001, policy reforms combined with a strong economy to move record numbers of welfare recipients and the low-skilled unemployed into the workforce. And yet, concurrent changes in the labor market have meant that the majority of these workers are securing low-wage jobs with little opportunity for wage growth and advancement. Thus, the workforce and welfare systems—which have historically focused on providing pre-employment training and job placement services—are now being challenged to meet a broad range of low-income working families’ needs.

At the same time, there is a growing commitment on the part of policymakers, administrators, and practitioners to support families by developing programs that promote economic self-sufficiency and that raise families' disposable income, including:

- *Employment initiatives that support job retention and career advancement.* The growth of the low-wage labor market, together with welfare reform's expansion of work requirements and time limits on welfare benefits, have created a pressing need for workforce and welfare agencies to develop new programs that help low-skill, low-wage workers secure and retain employment and advance into higher paying jobs. Many public agencies and private organizations have recently begun developing programs that support retention and advancement, but in general, efforts across the country are in early stages of development and implementation.
- *The expansion of programs that increase overall family income, which we call "work supports."* These include the Earned Income Tax Credit (EITC), the Child Tax Credit (CTC), subsidized child care, the Child Health Insurance Program (CHIP), Medicaid, Food Stamps, and monthly earnings supplements for working welfare recipients through the welfare system. Receipt of work supports can fundamentally change the income calculus for low-wage work, and in many cases can move families out of poverty. In turn, recent research shows that increasing family income can improve a range of employment, family, and child outcomes—further underscoring the importance of developing strategies that ensure working parents access the full range of available services and supports.

However, take-up rates for many job retention and advancement services and work support programs are low. In a recent MDRC survey of California counties, workforce administrators reported that just 23 percent of eligible participants avail themselves of post-placement education and training,² and that numerous barriers make participation in these programs difficult, such as lack of adequate child care during training, the difficulty of meeting welfare work requirements while participating in training programs, and the challenge of balancing work, family, and school.³ Further, national studies show that participation in work supports has decreased in the years following welfare reform. Of working families who are eligible for Food Stamps, for example, only 43 percent currently receive them, compared to 59 percent in 1994.⁴ Experts estimate that, of families who leave welfare but remain eligible for multiple work support programs, well less than half receive the "full package" of available benefits. While some may, for a variety of reasons, choose not to apply for these services and supports, recent evidence strongly suggests that the main barriers to participation are difficulty of access and application, and the complexity of maintaining on-going receipt.⁵

Even with recent federal, state and local efforts to develop retention and advancement initiatives and simplify application processes for work support programs, two key challenges confront public systems:

- Ensuring that job retention and advancement services are easily accessible and structured to meet the needs of low-income workers; and
- Maximizing the proportion of those eligible for work supports who actually receive them, by ensuring that these programs are easily accessible and "maintainable."

Both challenges highlight a core problem: *there is currently no institution with the vision, mission, and statutory responsibility for ensuring that low-wage workers have knowledge about and ongoing, easy access to the full package of job retention and advancement services and work supports.* Though a few individual welfare and workforce agencies have taken this as part of their mission in recent years, low participation rates suggest that the possibilities for integrating these functions into current service delivery systems are far from fully realized.

With support from the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, and other philanthropies, MDRC is currently investigating the feasibility of developing Work Support Centers as one way to address the challenges of access to and institutional responsibility for services that support the working poor. In brief, MDRC is exploring Work Support Centers as single locations where job seekers can access a range of employment, job retention, education, training and career advancement services, and easily apply for work support programs. We are investigating the potential for Work Support Centers in a range of institutions, including One-Stops, community colleges, Family Resource Centers, and private employers. *Rather than creating a new network of agencies, MDRC views Work Support Centers as incorporating a set of functions that could be adapted to a number of existing institutions already working with the target populations.* If this approach appears to be promising, MDRC plans to develop a demonstration that would test the effect of these services.

This framework paper has four main goals: to outline the current policy context which makes clear the need to develop effective methods for serving low-income working families; to summarize current research demonstrating the positive effects that work supports can have on employment, family, and child outcomes; to review what is known about current participation rates in retention and advancement services and work support programs; and finally, to describe our concept for developing Work Support Centers as one method for improving access to these programs.

Background

Shifts in the Labor Market. During the 1990's, the nation experienced an unprecedented period of economic growth and declining unemployment.⁶ At the same time, long-term shifts in the economy have resulted in a substantial bifurcation in the labor market. While there continues to be substantial demand for workers with higher-level skills, the majority of job growth has been concentrated in low-skill, low-wage occupations.⁷ Studies of recent welfare leavers show they are most likely to work in these occupations, primarily in service sectors at wages below the federal poverty line, and typically in jobs that do not provide benefits such as health care.⁸ The economic downturn in mid-2001 brought an increase in unemployment levels and in the number of persons working part-time despite their preference for full-time work.⁹ In such a downturn, low-wage, low-skill workers who are new to the labor force are particularly vulnerable to lay-offs and reduced work hours, which emphasizes the need for effective methods for helping these workers advance into higher paying, more stable jobs.

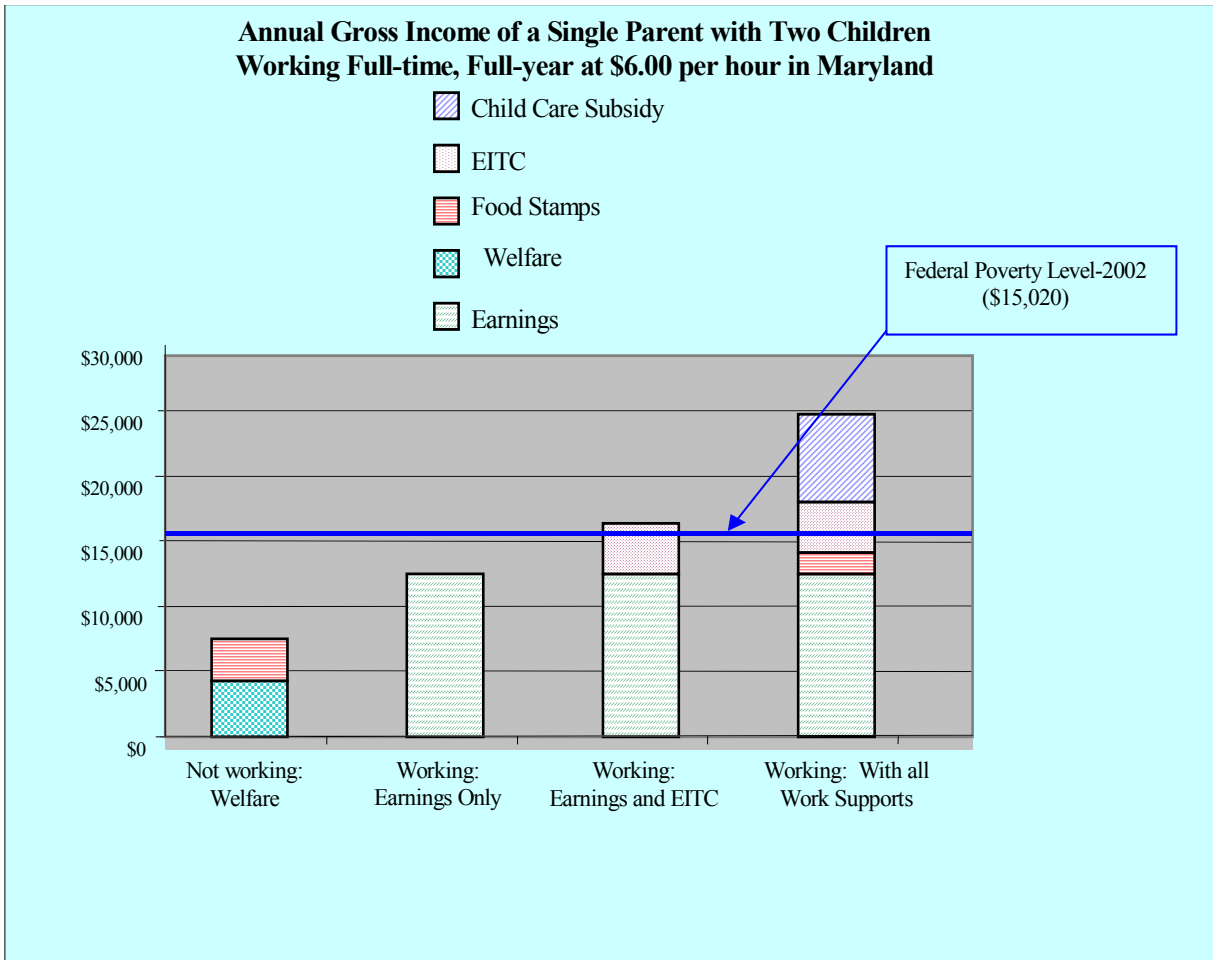
A New Imperative to Develop Effective Job Retention and Advancement Programs. While entry into low-wage jobs is partially driven by labor market demand, it also results from factors shaped by public policy. The two major public systems charged with providing employment services to low-income people—the workforce development system overseen by the Department of Labor, and the welfare system overseen by the Department of Health and Human

Services—underwent major reforms. These resulted in the establishment of the Workforce Investment Act (WIA) on the workforce side, which provides employment and training services to a range of workers; and Temporary Assistance for Needy Families (TANF) on the welfare side, which provides cash assistance and employment services to welfare recipients. Key provisions of both policies have encouraged—and in some cases mandated—the rapid movement into low-wage jobs. For example:

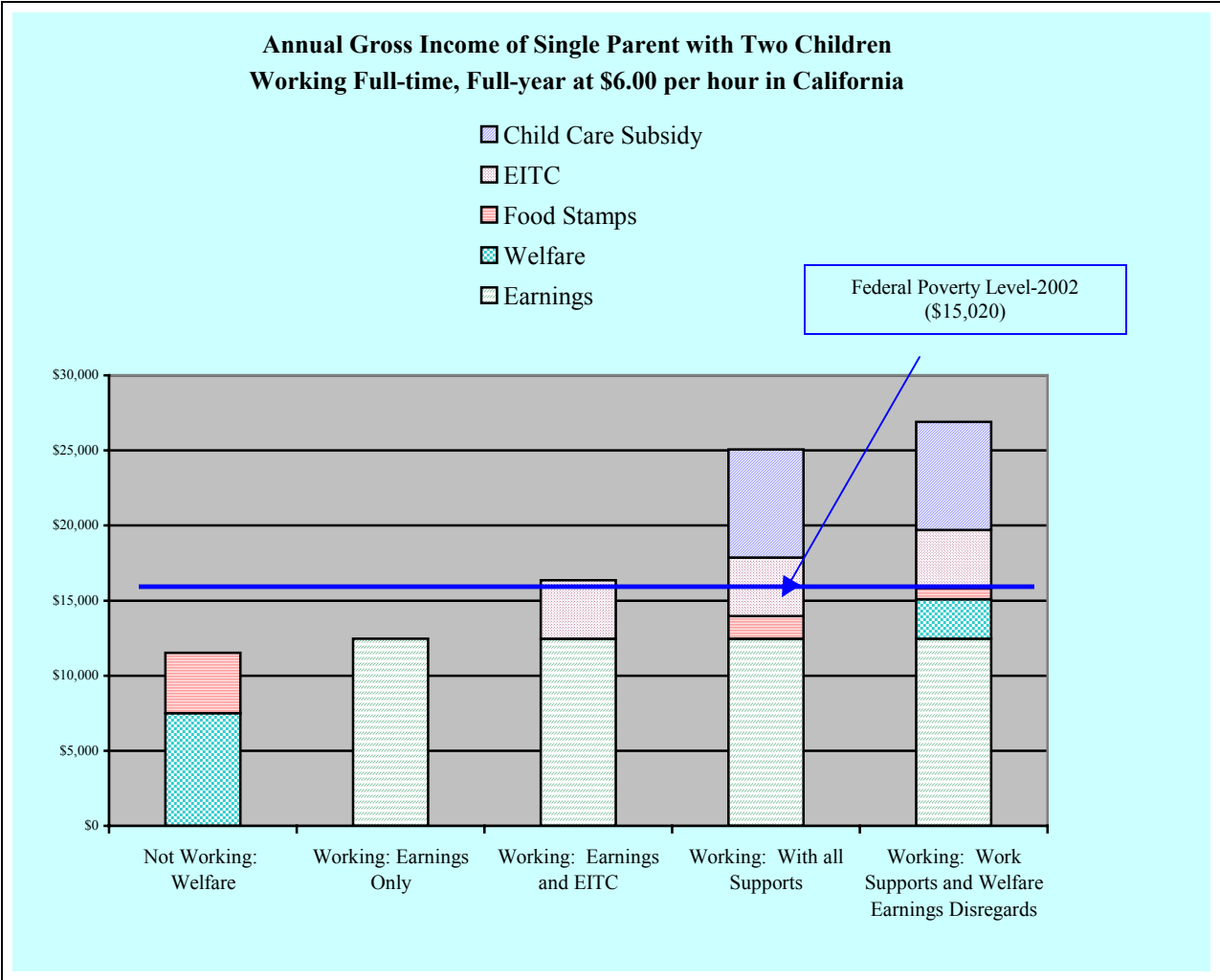
- WIA requires that all participants complete a series of “tiered services” that begin with up-front job search and pre-employment services before participants can be referred to skills training. There is heavy emphasis in this first tier on moving quickly into employment. WIA further requires the use of vouchers for training, which, for a variety of reasons, may also cause fewer people to enroll in skills training programs.
- State TANF programs almost universally adopted time limits on welfare benefits, a “work first” focus that encourages moving quickly into jobs—even low-wage jobs—and participation mandates in work-related activities. Funds for skills training and education in most states are limited, and are typically made available only to those enrolled in training prior to applying for welfare benefits.

In addition, both workforce and welfare systems have historically focused on pre-employment services—getting people a job. Post-placement “follow-up” has typically focused on gathering information on employment status, not helping people keep jobs or advance in careers. Consequently, while research shows a strong correlation between higher skills and education levels and increased earnings,¹⁰ very little is known about how to best facilitate career advancement and upgrade skills training for low-wage workers, or how to effectively help them stay on the job.¹¹ Nor is there a strong knowledge base about how best to make retention, advancement, and work support services widely accessible to the majority of the working poor, particularly those who are “uncaptured” by the major public systems. *Thus, strategies that test best practices for serving the working poor, and that seek to make such services more accessible to working families* could provide guidance to public systems about effective post-employment services and work supports.

The Increasing Importance of Work Supports. The chart below illustrates the potential increase in income for a single mother of two in Maryland, which falls in the broad middle range of the size of welfare payments nationally. Working full-time, full-year at \$6.00 per hour, her annual income from earnings alone would total \$12,480, well below the federal poverty level of \$15,020.¹² However, simply taking advantage of the EITC—\$3,888 for this single parent—raises her income to above the poverty level. Further, Food Stamps and a child care subsidy would effectively raise her income to \$25,000.¹³ In short, work supports can be worth more than \$12,000 to this family. *Taken together, earnings combined with these supports can fundamentally change the income calculus for low-wage work.*



The chart below shows income information for the same single mother living in California. Along with several other states, California's welfare program offers generous earnings disregards, which can further increase overall family income, as illustrated below.



Importantly, recent research shows that work supports such as health care and those that increase income can have positive effects on employment, family, and child outcomes. For example, a Minnesota study showed that offering publicly subsidized health care improved rates of employment and retention among female-headed families, and reduced welfare caseloads by ten percent by keeping families from applying for welfare primarily as a way to access health care benefits.¹⁴ Additionally, welfare earnings supplements have similarly positive effects. When combined with participation mandates or conditioned on full-time work, earnings supplements can substantially increase employment rates, job retention, and earnings.¹⁵ In turn, increased family income is linked to better outcomes for younger children. A recent synthesis of random assignment studies of almost a dozen welfare-to-work initiatives found that programs that increase both parental employment and family income through earnings supplements improved education outcomes for elementary school-age children, with positive effects persisting for more than four years.¹⁶ And programs that “package” a range of work support programs also show promise in both increasing income and improving family outcomes.¹⁷

As we outline in the next section, although the welfare and other systems offer a number of work supports and job retention and advancement services, take-up rates for many programs

are low, particularly for recent welfare leavers, and even lower for those outside of the welfare system but who continue to be eligible for benefits.

The Problem

Low Participation in Job Retention and Career Advancement Services. Though many welfare and workforce agencies have begun offering services that promote job retention and career advancement, encouraging participation and increasing take-up rates in these services—which in most cases are not mandatory—is an ongoing challenge. As noted above, MDRC survey of California welfare and workforce agencies found that just 23 percent of eligible working parents participate in post-placement education and training programs offered through the workforce system.¹⁸ Administrators reported that take-up rates for post-placement case management, however, were high, and though counties defined the scope and intensity of their case management services broadly, high participation rates may suggest that low-income working parents have a significant interest in and need for post-placement support and services.

A number of factors contribute to low take-up rates in education and training programs. For many working parents, limited access to supportive services such as subsidized child care during the training period, transportation assistance, personal counseling, and tutoring makes participation difficult. Further, many training programs are offered at times and locations that are inaccessible to working parents. Low-wage workers may also face other barriers to training, including prohibitive costs of postsecondary education, inadequate financial aid packages, and the long-term time investment required by most degree- and credential-granting programs.¹⁹

Similar themes have emerged from the early experiences of sites in the national Employment Retention and Advancement (ERA) evaluation.²⁰ Even when participation in post-placement services is mandated, working parents—who are often receiving small cash grants—will often decline to participate in these programs and forgo welfare benefits if services are not attractive or easily accessible. Encouraging working parents to enroll in skills training and other advancement services in particular has posed a challenge for several ERA sites, as families struggle to manage the multiple responsibilities of work, family, and school.

Low Participation in Work Support Programs. Current research and the best estimates of researchers working in the field show clearly that participation rates in many of the key work support programs are low. While 100 percent participation is not a realistic goal, most participation rates are well below a more feasible target of 80 to 90 percent. The EITC is the only work support program with participation rates near this level, with studies estimating receipt by eligible families to be between 75 and 86 percent, with lower participation among some subgroups, including workers with language barriers and very low-income families.²¹

Participation among eligible working families in the Medicaid and Food Stamp entitlement programs is significantly lower. Just one-third of eligible working adults report having Medicaid coverage,²² and only 43 percent of low-wage workers who are eligible for Food Stamps receive them.²³ Further, many working families continue to be eligible for welfare benefits through TANF earnings supplements, yet experts estimate that just 38 percent of these families actually receive them.²⁴ Unlike entitlement programs such as Medicaid, funds for subsidized child care—which is a critical work support—is limited and generally available to only a fraction of eligible parents; thus “participation” takes on a very different meaning in this non-entitlement

context. No comprehensive study has yet been undertaken to examine take-up rates among eligible families in *existing* programs, but best estimates by experts in the field put participation in subsidized child care programs funded by federal dollars at approximately 15 percent.

Further, a major concern is not only with participation in *individual* work support programs, but also with participation in the *full package* of work supports. While there is currently no body of research that examines participation rates from this perspective, experts speculate that between 20 and 35 percent of low-income working families receive all benefits (excluding subsidized child care) for which they are eligible.

It has been widely acknowledged that a key impediment to accessing work supports is that each program has its own application and eligibility process, often conducted at different locations and requiring burdensome documentation and paperwork. Further, offices are not typically located close to where families live, and are often not open during non-work hours. Research indicates that confusion among families and caseworkers about eligibility also reduces access to work support programs.²⁵ Still another factor affecting take-up rates for some supports may be close administrative ties to the welfare system and the associated stigma. Finally, some proportion of eligible workers simply may not want government support for a variety of other reasons.

Two further observations stand out. First, the fact that take-up rates for the EITC are higher than other work supports suggests that extensive marketing campaigns such as those undertaken by many states and localities to promote the EITC—and more recently, CHIP—can have a significant effect in raising participation in other work supports as well. Second, simplifying application procedures can also increase access. A dramatic example of this is the Disaster Relief Medicaid program launched by the City of New York in the wake of the World Trade Center terrorist attack. With greatly simplified application procedures, more than 350,000 people enrolled in the program between September 11, 2001 and January 31, 2002.²⁶

Therefore, given low participation rates in the full package of work supports—as well as in job retention and advancement programs—MDRC’s primary goal in attempting to develop Work Support Centers is two-fold:

- at the local service delivery level, to provide low-income workers with easy access to promising job retention and advancement services, to aggressively market these services and work support programs, and to establish simplified application procedures—in order to raise family income; and
- at the state and federal levels, to identify and encourage the development of policies that facilitate these new local approaches, activities, and functions.

The following section outlines MDRC’s vision and workplan for exploring the feasibility of developing Work Support Centers.

Work Support Centers: A Potentially Promising Response

Vision

MDRC intends to investigate the feasibility of developing an institution—or range of institutions—whose vision and mission are to respond to the needs of the growing population of low-income working families, and those seeking work, by increasing access to and participation in the full range of available job retention and advancement services and work supports. It would directly provide the following:

- pre-employment services to help low-income parents secure employment;
- job retention and advancement programs to help workers stay employed and advance in the workplace;
- work supports such as EITC, Medicaid, CHIP, Food Stamps, subsidized child care, and welfare earnings supplements. Other work-related benefits might include transportation subsidies and clothing assistance, financial counseling, and access to free tax filing assistance as a way to increase participation in the EITC;
- aggressive marketing and outreach to assure higher participation in retention and advancement services and the full package of multiple work supports; and
- enhanced data collection and analysis capacities to enable effective client tracking, assure that no one is overlooked, and evaluate and improve overall program performance.

In short, Work Support Centers would help clients navigate the maze of available programs, assuring receipt of employment and work support services in user-friendly environments. A key goal of Work Support Centers would be to market and administer employment services and work supports as a cohesive “package” by staff knowledgeable about and can enroll participants in *all* available services. Work Support Centers may thereby decrease the fragmentation of service delivery that causes many eligible families to “fall through the cracks” when required to make numerous visits to separate programs for services. If Work Support Centers are feasible, MDRC intends to undertake a larger demonstration to assess their effectiveness as vehicles to help make low-wage work pay, while facilitating the pursuit of career advancement programs—above the level that would occur without Work Support Centers.

Potential Institutional Homes

MDRC is exploring the feasibility of locating Work Support Centers within a range of different institutional “homes.” These include the following:

- The most obvious and natural venue is the **One-Stop** Centers established under WIA. Work Support Centers might be thought of as enhanced One-Stops, focusing on serving working and non-working clients more effectively by making pre- and post-placement services more accessible, developing stronger knowledge across agencies and co-located partners about available work support programs, and ensuring the receipt of pre- and post-employment services and work supports. Among other advan-

tages, One-Stops are administered by a variety of institutions, including community-based organizations, and sometimes house agencies that already have responsibility for administering and marketing many work support programs.

- **Family Resource Centers (FRC's)** are another possible home. FRC's reach and serve large numbers of single parents, and are principal points of contact for a range of hard-to-reach populations in need of employment services, such as recent immigrants and victims of domestic violence. Notwithstanding recent efforts to strengthen employment services as part of the program mix among some FRCs, there may be value in developing model Work Support Centers and promoting them among this network of organizations (such as among members of Family Services America). For instance, "principles of work support" might be promoted in a fashion similar to current efforts to encourage the adoption of "principles of family support" by FRC's.
- A version Work Support Centers located in **community colleges** is another option. Student Work Support Centers might increase access to supports to working low-income students and may be particularly effective in helping low-skill workers pursue upgrade skills training. This possibility is also being investigated as part of MDRC's Opening Doors project.
- **Private businesses and public agencies** that employ low-skilled, low-wage workers are another possible setting in which to house Work Support Centers. A compliment of staff—either from within the business itself or from an outside intermediary—might be trained to ensure these workers are uniformly aware of work supports, and to enroll workers and perform ongoing eligibility functions for these programs at the work site. This approach may prove beneficial to employers by improving employee retention rates and reducing costs associated with staff turnover.
- MDRC also intends to investigate other approaches that are not center-based but that could achieve the same outcomes. For example, a community or private organization might assume enrollment and eligibility functions for the full range of work support programs, and be paid on the basis of the number of individuals they enroll in retention and advancement services and work support programs.

Neighborhood/Community Focus

Work Support Centers may have particular relevance in a community context where the express goal would be to realize large employment gains in specifically-defined geographic areas, rather than just the needs of residents of communities who meet categorical program eligibility criteria. Hence, MDRC is also exploring the potential for embedding Work Support Centers at the core of a new generation of neighborhood employment saturation strategies. These **Neighborhood Work Support Centers** would manage and house under one roof staff responsible for job search, placement, training, retention and advancement services and work supports (or access to them). These centers might operate as partnerships between a One-Stop and a community-based organization that would serve as a local intermediary or "broker" between neighborhood residents, public systems, and employers.

Workplan

MDRC is undertaking three phases of the Work Support Center exploration. In **Phase I**, promising examples of One-Stops, Family Resource Centers, community-based organizations, community colleges, labor market intermediaries/employer-linked training consortia, and private employers will be identified, with a particular focus on agencies already making efforts to package and deliver work supports alongside other employment services. Site visits will be conducted, including focus groups of agency and center staff and clients. MDRC will explore take-up rates across the range of work supports and employment services at the state and county level, drawing heavily on available research. In this exploration, the experiences of selected states and the efficacy of campaigns to promote take-up of specific work supports will also be examined.

In **Phase II**, information gathered during Phase I will be compiled into case studies of model programs operating in a range of settings, and will include analyses of the strengths and challenges of working in different venues. The case studies will describe model agency partnerships and institutional configurations, characteristics of effective service delivery strategies, and best practices; and will provide comments on how the models might be strengthened. Features of promising Neighborhood Work Support Centers will also be highlighted, as well as the planning, implementation, and collaboration challenges of operating within a neighborhood saturation strategy. As part of this phase, MDRC will provide advice and assistance to those case study sites that are interested in moving forward to develop a full version of Work Support Centers

In **Phase III**, MDRC will prepare a brief paper describing the outcome of the exploration phases. It will include recommendations on how and where Work Support Centers might be tested. The paper will address whether it would be possible to develop a formal evaluation of various work support center-related approaches. If a demonstration is warranted, MDRC would develop a formal research design to gauge the effectiveness of models in different venues. This report will also examine in detail whether it is possible to develop Neighborhood Work Support Centers as core components of a next generation of neighborhood saturation initiatives.

Throughout this exploration, MDRC will engage national and state-level public agencies to secure their support and on-going input, including the U. S. Departments of Labor, Health and Human Services, Housing and Urban Development, and Agriculture; as well as public interest groups such as the National Governors Association, National Conference of State Legislatures, National Association of Counties, and Association of Public Human Services Administrators.

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Notes

¹ Berlin, Gordon L. March 2000. *Encouraging Work, Reducing Poverty: The Impact of Work Incentive Programs*. New York: Manpower Demonstration Research Corporation; and Morris, Pamela, Virginia Knox, and Lisa A. Gennetian. March 2002. *Welfare Policies Matter for Child And Youth: Lessons for TANF Reauthorization*. New York: Manpower Demonstration Research Corporation.

² Anderson, Jacquelyn, Jennifer Miller and Johannes Bos. January 2002. "Job Retention and Advancement Services for CalWORKs Participants: Initial Survey of County Practices." *California Policy Research Center Brief*, Volume 14, Number 1. Full report forthcoming in mid-2002. Available on-line at www.welfarepolicy-ca.org.

³ Golonka, Susan and Lisa Matus-Grossman. May 2001. *Opening Doors: Expanding Educational Opportunities for Low-Income Workers*. Manpower Demonstration Research Corporation and the National Governors Association for Best Practices.

⁴ U.S. Department of Agriculture. 2001. *The Decline in Food Stamp Participation: A Report to Congress*. Washington, D.C.: Food and Nutrition Service.

⁵ Fishman, Michael E. and Harold Beebout. December 2001. *Supports for Working Families: A New Approach*. Baltimore: The Annie E. Casey Foundation.

⁶ Bureau of Labor Statistics. March 2002. "Labor Force Statistics from the Current Population Survey." U.S. Department of Labor. Available on-line at www.stats.bls.gov.

⁷ Bureau of Labor Statistics. Winter 2001-02. "Occupational Outlook Quarterly." Vol. 45, No. 4. U.S. Department of Labor. Available on-line at <http://stats.bls.gov/pub/ooq/2001/winter/art04.htm>

⁸ Richer, Elise, Steve Savner, and Mark Greenberg. November 2001. *Frequently Asked Questions About Working Welfare Leavers*. Washington D.C.: Center for Law and Social Policy.

⁹ Bureau of Labor Statistics. February 2002. "Employment Situation Summary." U.S. Department of Labor. Available on-line at <http://stats.bls.gov/news.release/empsit.nr0.htm>

¹⁰ Acs, Gregory, Katherine Ross Phillips, and Daniel McKenzie. October 2000. *On the Bottom Rung: A Profile of Americans in Low-Income Working Families*. Washington D.C.: Urban Institute.

¹¹ In an effort to fill this knowledge gap, MDRC is undertaking the U.S. Department of Health and Human Services' national Employment Retention and Advancement (ERA) evaluation to identify and test promising strategies across the country. In addition, with grants from several national foundations, MDRC's Opening Doors project is working to develop and test promising retention and advancement approaches in community colleges.

¹² It is important to note, however, that full-time, full-year work is not the norm for low-income single parents, so in many ways, this is a "best case" scenario.

¹³ Unlike Food Stamps, welfare income disregards, and the EITC, child care subsidies are not experienced by families as additional income, but rather as an offset to direct costs. We include them nonetheless in this chart to underscore the importance of child care subsidies in decreasing work-related costs as a proportion of low-wage workers' earnings, thereby increasing disposable income. Subsidized health care programs are not included here, as such programs are used on an "as needed" basis and therefore cannot be assigned a fixed cost per family.

¹⁴ Yelowitz, A.S. 1996. *The Medicaid Notch, Labor Supply, and Welfare Participation: Evidence from Eligibility Expansions*. Discussion Paper No. 1084-96. Madison, WI: Institute for Research and Poverty. Available on-line at www.ssc.wisc.edu/irp.

¹⁵ Berlin, March 2000. Studies of the Minnesota Family Investment Program (MFIP), the Canadian Self-Sufficiency Project (SSP), and the New Hope project in Milwaukee found that, when offered in combination with employment requirements, income supplements consistently produced large increases in employment, earnings, and income, as well as improved job retention. Participants in the MFIP and SSP programs showed increases in annual income between \$800 and \$1,200. MFIP also showed a reduction in domestic abuse and an increase in marriage and marriage stability for some groups.

¹⁶ Morris, Pamela, Virginia Knox, and Lisa A. Gennetian. March 2002. *Welfare Policies Matter for Children and Youth: Lessons for TANF Reauthorization*. New York: Manpower Demonstration Research Corporation. More recent evidence shows small, negative schooling effects for adolescents, but this was the case across all categories of welfare-to-work programs studied, not only those that provided earnings supplements.

¹⁷ Bos, Johannes M., Althea C. Huston, Robert C. Granger, Greg J. Duncan, Thomas W. Brock, and Vonnice C. McLoyd. August 1999. *New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Pov-*

erty and Reform Welfare. New York: Manpower Demonstration Research Corporation. The New Hope project made a concerted effort to package services into a “New Hope Offer,” which included earnings supplements, promotion of federal and state EITC’s, child care subsidies, and affordable health insurance. New Hope significantly increased earnings, decreased hardships associated with lack of health insurance and child care, and raised family income above poverty.

¹⁸ Anderson, et. al., 2002.

¹⁹ Golonka and Matus-Grossman, 2001.

²⁰ Bloom, Daniel, et. al. Forthcoming Report. *New Strategies to Promote Stable Employment and Career Progression: An Introduction to the Employment Retention and Advancement Project*. U. S. Department of Health and Human Services.

²¹ See General Accounting Office. December 2001. *Earned Income Tax Credit Eligibility and Participation*. GAO-02-290R. United States General Accounting Office; and Scholz, John Karl. 1994. “The Earned Income Tax Credit: Participation, Compliance, and Antipoverty Effectiveness.” *National Tax Journal* 48:64-85. Experts in the field note that former welfare recipients, low-wage workers with language barriers, and families with very low incomes tend to be less likely to receive the EITC because of a high incidence of non-filing among these groups. The recent increase in IRS audits of very-low-income filers claiming the EITC may also lead to further reduction in participation. As we note earlier in this paper, EITC benefits can amount to as much as \$3,888 for a family of three, and thus would represent a significant boost in overall income for many of these families.

²² Studies on Medicaid show significant differences in adult and child participation. A March 2002 Urban Institute Study by Lisa Dubay, Genevieve Kenney, and Jennifer Haley titled *Children’s Participation in Medicaid and SCHIP: Early in the SCHIP Era* found that 72 percent of Medicaid-eligible children receive benefits, and 45 percent of eligible children participate in CHIP. Given recent expansions to the CHIP program, these rates are likely to have increased in recent years.

²³ See Rosso, Randy. October 2001. *Trends in Food Stamp Program Participation Rates: 1994-1999*. Washington D.C.: Mathematica Policy Research, Inc.; and U.S. Department of Agriculture. July 2001. *The Decline in Food Stamp Participation: A Report to Congress*. Washington D.C.: Food And Nutrition Service. We note that the steep decline in participation among families who leave welfare and those who have never received welfare is likely due to the fact that the welfare system automatically performs ongoing eligibility functions for Food Stamps and Medicaid, meaning working parents do not have to navigate these processes on their own.

²⁴ Participation rates in welfare earning supplements are based on the best estimates of experts in the field, as no research currently looks exclusively at participation in this aspect of welfare programs. We note that time limit rules in some states may discourage families from continuing to receive the TANF earnings supplement; yet as noted above, working poor TANF-eligible families who are disconnected from the welfare system may reduce their ability to access other work supports such as Food Stamps and Medicaid.

²⁵ Quint, Janet and Rebecca Widom. January 2001. *Post-RANF Food Stamp and Medicaid Benefits: Factors That Aid or Impede Their Receipt*. New York: Manpower Demonstration Research Corporation.

²⁶ The City instituted a one-page application form, rather than the regular, eight-page form, enabling staff to process four applications per hour, with same day approval, rather than the average of eight processed applications per day for regular Medicaid.