

Providing Earnings Supplements to Encourage and Sustain Employment

LESSONS FROM RESEARCH AND PRACTICE

By Karin Martinson* and Gayle Hamilton

Three decades of mostly stagnant wages have made it difficult for many low-income parents to support their families — even parents who work full time and receive work supports, such as the Earned Income Tax Credit (EITC), food stamps, and child care and transportation assistance. Because many families struggle financially despite available work supports, almost all states and localities have implemented programs or enacted policies that provide an additional supplement to individuals' earnings. These provide a monetary payment to working individuals, usually on a monthly basis, to supplement their earnings and raise their income.¹ Typically targeted to low-income parents who are unemployed and provided when they start working, earnings supplements are designed to encourage employment and increase the payoff of low-wage work. They can also provide an important incentive for individuals to stay employed. While the earnings supplement can be a critical component of programs, it is also generally combined with a range of other employment and support services. Many formal evaluations of earnings supplement initiatives, using random assignment designs, have been completed by MDRC — some, quite recently — making this an opportune time to step back and assess what has been

learned and how to build on successes and challenges in moving forward.²

This brief presents findings, and lessons for policy and practice, from MDRC-conducted studies of five programs that provided earnings supplements and that have been rigorously evaluated using a random assignment research design: the Canadian Self-Sufficiency Project (SSP), the Minnesota Family Investment Program (MFIP), Milwaukee's New Hope Project, the Texas Employment Retention and Advancement (ERA) program, and the United Kingdom Employment Retention and Advancement (UK ERA) program.³ (See Box 1.) The evaluations primarily focus on the effects of the programs on single parents. SSP, MFIP, and New Hope operated some time ago (primarily in the 1990s), but long-run follow-up data are available only recently. In addition, relatively new evaluation results are available from the more recent Texas ERA and UK ERA programs. (See "Bibliography and References" for more information on the research findings for the individual programs.)⁴ This brief discusses key

Earnings supplements substantially increased employment and income and, in many cases, employment retention.

findings from evaluations of these earnings supplement programs and then provides lessons for both policy and practice that have emerged from these initiatives. While each program had its own set of unique circumstances and lessons (and none is currently operating), the focus here is on common themes across the initiatives.

WHAT ARE EARNINGS SUPPLEMENT PROGRAMS?

While the programs discussed here all supplemented the earnings of low-income

individuals, they did so in different ways, varying in design, target population, and services. Most of the programs provided regular, usually monthly, stipends or payments to current or former welfare recipients (MFIP, SSP, Texas ERA, and UK ERA), although New Hope targeted low-income individuals more generally.⁵ All the programs used the earnings supplement to promote employment, although both the Texas ERA and the UK ERA program explicitly designed the supplement to also increase employment retention and provided other

BOX 1.

EARNINGS SUPPLEMENT PROGRAMS

The Canadian Self-Sufficiency Project (SSP) was a demonstration project designed to test a work-based alternative to welfare that paid a substantial monthly earnings supplement, for up to three years, to long-term, single-parent welfare recipients who worked full time (at least 30 hours per week). Sponsored by the Canadian government, SSP was operated outside the welfare system by private agencies in two provinces between 1992 and 1999. Participation was voluntary, but recipients could not receive welfare benefits and earnings supplement payments at the same time. The supplement equaled half the difference between a participant's earnings and an "earnings benchmark" (which equaled \$30,000 or \$37,000, depending on the site). After taxes, SSP made most families \$3,000 to \$7,000 per year better off than if they worked full time and remained on cash assistance.

The value of offering employment services in addition to the payment was tested as part of the evaluation. An experimental evaluation of SSP found that the program increased full-time employment and earnings, reduced poverty, and resulted in more stable employment and wage growth over time.

The Minnesota Family Investment Program (MFIP) used the welfare system to reward work by changing the way the system treated earned income. MFIP, which began operating in 1994, increased the "earned income disregard" — the amount of earnings not counted ("disregarded") when calculating a family's welfare benefits. MFIP also increased basic benefits by up to 20 percent for those who worked. This resulted in an increase in income of approximately \$150 to \$250 per month, depending on the wages and hours worked. For long-term welfare recipients who were not working at least 30 hours a week, MFIP required participation in employment-focused services designed to help them find jobs. An experimental evaluation of the program showed

that MFIP's combination of earnings supplements and a participation mandate produced relatively large increases in employment, earnings, income, and job stability as well as reductions in poverty.

Milwaukee's New Hope Project was a community antipoverty initiative designed to test a comprehensive set of financial and other supports for low-income workers (whether on welfare or not) who were willing to work full time. Operating from 1994 to 1998, it was open to all low-income people living in two target areas and offered a package of incentives consisting of earnings supplements plus child and health care subsidies and — for people who could not find jobs — access to temporary community service jobs. The earnings supplement consisted of a monthly cash payment to participants when they worked at least 30 hours per week and yet their earnings left the household below 200 percent of poverty. Among those who received a supplement, the average amount was about \$120 per month. The earnings supplement had a phase-in

services (primarily through one-on-one assistance provided by program staff) to foster both retention and advancement.

In addition to the earnings supplement, all of the programs also provided employment-related assistance and supports. However, these services were more extensive in some programs, particularly New Hope. Finally, these five programs required individuals to supply documentation that verified employment in order to receive a supplement, and one program (Texas ERA)

also required participation in a monthly employment-related activity.

While there are similarities across the programs, there are also important distinctions. In New Hope and UK ERA, participation in employment services was voluntary; in MFIP and Texas ERA, participation in services was required prior to finding a job.⁶ MFIP, Texas ERA, and UK ERA were operated by the same organizations that ran the sites' welfare programs, while New Hope and SSP operated outside the welfare

rate, a maximum supplement, and a phase-out rate; individuals were eligible for up to three years. An experimental study found that New Hope increased employment and income, and had positive effects on children's development.

The Texas Employment Retention and Advancement (ERA) program was designed to provide a financial incentive to encourage job retention and advancement, job search assistance, and postemployment services to individuals applying for or receiving cash assistance. Operating in three sites (Corpus Christi, Fort Worth, and Houston) from 2000 to 2004, the program included a monthly stipend of \$200 for former recipients of Temporary Assistance for Needy Families (TANF) who were working at least 30 hours a week after they had received an earned income disregard for four months. Those who worked 15 hours per week combined with an education and training activity were also eligible for the stipend (but few took up this option). There was a lifetime limit of 12 stipends. In an experimental evaluation, the ERA program in

Corpus Christi produced increases that lasted throughout a four-year follow-up period in several measures of employment retention, earnings, and advancement relative to the control group levels. The Fort Worth program generated increases in some measures of employment, employment retention, and earnings in the four-year follow-up period relative to the control group levels, but the effects were concentrated in the second and third years of follow-up. The Houston program had no effects.

The United Kingdom's Employment Retention and Advancement (UK ERA) program — operated in six regions by the British government's Department for Work and Pensions — targeted long-term unemployed income support recipients (mostly men), lone parents on income support (mostly women), and lone parents working part time and receiving the Working Tax Credit (akin to the Earned Income Tax Credit in the United States). Operating from 2003 to 2008, the program offered a combination of services and financial incentives that lasted

for as long as two years after participants entered work. The financial incentives for participants who remained stably employed in full-time work (30 hours per week) included a retention bonus that was paid three times per year in increments of about the equivalent of \$600,* up to a maximum total award of about \$3,600. Participants who combined training with employment were eligible to receive a training bonus and tuition assistance, each up to about \$1,500. Participants were also offered ongoing advice and assistance intended to help them overcome obstacles to steady employment and find pathways toward better job opportunities. An experimental evaluation shows that, within the first two years after beginning ERA, lone parents earned substantially more than they would have without the program because the proportion who worked full time increased and the program also increased participation in training activities.

* These U.S. dollar estimates are based on the exchange rate in effect roughly at the start of the U.K. program.

system. The programs also varied in whether they rewarded full- or part-time work, as New Hope, SSP, and UK ERA rewarded only full-time work (defined as at least 30 hours per week). This distinction is important for several reasons. Conditioning receipt of supplements on full-time work asks participants to make a greater commitment to work, promises a larger economic reward, and promotes an

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increase in work experience and thus the formation of human capital. However, when both full- and part-time work are rewarded, more families can be expected to benefit from a program. But rewarding part-time work can also encourage people who are working full time to reduce their work hours and use the earnings supplement to maintain their overall family income. In addition to providing the supplement to those who worked 30 hours per week, the Texas ERA program was unique in that the supplement was provided to individuals if they combined part-time work (15 hours per week) with attendance in an education or training program.

Some of the programs (Texas ERA and UK ERA) offered a set, regular payment amount that did not change, based on earnings, while the supplement in other programs increased or decreased depending on the amount an individual earned. MFIP was the only program that included the supplement as part of the cash assistance grant (through an earned income disregard).⁷

WHAT HAVE WE LEARNED FROM THE RESEARCH?

Despite the variations noted above, several key findings emerge from the evaluations of these efforts.

- **Earnings supplements substantially increased employment and income and, in**

many cases, employment retention.

Rigorous evaluations of programs involving earnings supplements are remarkably consistent in demonstrating positive effects on economic outcomes. This research shows that individuals who were offered earnings supplements were more likely to work, earned more, and had more income than those in a control group. Several of the programs also increased stable employment, including MFIP, SSP, Texas ERA, and UK ERA. The one exception to these positive effects is the Texas ERA program, where only one of three sites (Corpus Christi) operating the Texas ERA model produced consistently positive and long-lasting effects on employment, earnings, income, and employment retention.⁸ Some programs also had effects on welfare receipt. When individuals had to leave welfare to receive the supplement (SSP), the program also resulted in reduced welfare receipt. However, when families had to remain on welfare to receive the supplement (MFIP), the program increased welfare use above what it would have been.

- **For the most part, the earnings supplement programs had limited effects on employment advancement.** While not an explicit goal of many of the programs, it was hoped that individuals who were encouraged to work by the supplement would gain skills or experience that would permanently lift them into higher-paying employment. For the most part, however, the earnings supplement programs did not generate their earnings effects through wage increases, job promotions, or movement into better jobs (although such increases and improvements did occur somewhat over time for individuals in both the program and control groups). Rather, earnings gains tended to be the result of working more hours.

- **The increased income that individuals typically obtained through the earnings supplement programs improved the well-being of families and their children.**

Because of the increase in income (which resulted from both the supplements and the employment services), some of the programs decreased poverty, including MFIP, New Hope, and SSP. Both MFIP and SSP measured outcomes for participants' children and found positive effects on the academic performance of younger school-age children. With results covering an eight-year follow-up period, New Hope initially improved children's academic performance and test scores, and then, later in the follow-up period, children reported being more engaged in school, and fewer received poor grades. In SSP, improved family well-being was reflected in greater expenditures on goods, clothing, and housing and less reliance on food banks. This was the only study to examine these outcomes.

- **The effects of all but one of the programs diminished over time, generally before eligibility for the supplement ended. It is probable that the impacts were not sustained because catch-up by the control groups and job loss within the program groups meant that early employment effects did not lead to lasting wage gains.** As discussed, while it was hoped that those who were encouraged by the supplement to work would eventually obtain more stable or higher-paying jobs relative to their control group counterparts, this did not occur in most programs. In programs with long-term follow-up of five to eight years — MFIP, New Hope, and SSP — there were no measured overall effects on earnings at the end of the follow-up period. One exception is the Corpus Christi ERA program, which still showed positive effects at the end of a four-year follow-up period, even though the

supplement had ended two years earlier. This suggests that job advancement occurred in this program.⁹ In addition, there was some evidence that effects were longer lived for the most disadvantaged participants in the MFIP program.

- **Earnings supplements, when combined with employment services, have larger effects than earnings supplements alone.**

In addition to supplementing earnings, some of the programs required participants to look for work or provided services to help them find jobs. The MFIP and SSP studies measured the effects of providing an earnings supplement alone as well as providing it in combination with employment services. These studies found that including employment services produced larger and longer-lasting effects on employment and earnings, compared with the programs that offered only the supplement.

- **The design of earnings supplements can affect families' decisions about how many hours to work.** There are two ways in which earnings supplements can affect decisions about work hours. First, the design of the incentives might explicitly favor part-time or full-time work. Although MFIP's incentives rewarded all levels of work, they were relatively more generous for part-time work. As a result, MFIP's earnings supplements, when provided without employment services, led to an increase only in part-time employment. UK ERA and SSP, in contrast, conditioned their supplements on full-time hours and led to sizable increases in full-time work. There are pros and cons to each approach. A key drawback of tying supplements to full-time work is that fewer individuals might be able to find full-time jobs and qualify — an issue that is especially relevant given the recent economic downturn. Full-time jobs,

however, are more likely to come with key fringe benefits and opportunities for advancement.

Second, supplements can also affect work hours by allowing individuals to work less and still maintain their income. This effect was observed in New Hope, where some families cut back on their overtime hours. While the New Hope results illustrate a behavioral response that can occur, of greater concern is individuals reducing their hours from full time to part time in response to an earnings supplement. Evidence of this effect is mixed. For individuals in two-parent families, both EITC research¹⁰ and MFIP findings indicate

How the program is managed and marketed, not just the availability of the supplements, makes a difference.

some reduction in the work effort of one spouse. For single parents, in contrast, neither EITC research nor MFIP findings show evidence of a reduction in work hours. While more research is needed, it is clear that there are potential

trade-offs to weigh when deciding whether to provide incentives only for full-time work or to provide them for all levels of work, particularly when incentives are provided without mandated employment services.

- **Although earnings supplement programs typically increase government costs, they can be a highly efficient mechanism for increasing the income of low-income families.** Although the programs had positive effects on work and income, those benefits came at a cost, ranging from about \$100 to \$2,400 each year per family. Among the programs for which benefit-cost analyses have been completed (MFIP, SSP, and Texas ERA), the programs resulted in modest net costs from the government perspective.¹¹ However, the earnings and income gains experienced by participants often exceeded these net costs. As a result, the programs

were an efficient mechanism for transferring income to low-income families because participants' employment and earnings gains ensured that income rose by more than a dollar for every dollar the government spent.

- **Supplements that are conditioned on undertaking education and training can be effective in encouraging participation in such activities.** A secondary goal of both the Texas ERA and the UK ERA programs was to increase participation in job training as well as work in order to promote career advancement. The UK ERA program — through a separate supplement and tuition assistance provided to individuals who worked and participated in job training — was able to significantly boost attendance in training programs among workers. Within a two-year follow-up period, however, there were no increases in *completion* of training, and it is too early to tell whether the increase in training participation will translate into increased earnings. The Texas ERA program explicitly allowed individuals to receive the earnings supplement if they worked part time while attending job training, but few individuals took advantage of this option in any of the three Texas ERA sites. Other programs, such as Louisiana's Opening Doors program for community college students and the Work Advancement and Support Center demonstration targeting low-wage workers — both of which provided supplements that were structured to reward progress in education or job training programs — have also been found to increase attendance in education or training and, in the case of the Opening Doors program, persistence in education, although neither initiative has yet shown effects on earnings.
- **Implementation matters.** The Texas ERA experience, with different impacts across three sites that implemented the same

model, shows that *how* the program is managed and marketed, not just the availability of the supplements, makes a difference. Of the three Texas sites, Corpus Christi moved most quickly to develop a marketing strategy for the supplement, including using different media and methods to convey information about the stipend, strongly encouraging individuals to take advantage of the supplement at multiple junctures during their tenure in the program, providing employment services such as site visits to participants' employers to reinforce the requirements of the supplement, and maintaining these activities throughout the study period. Implementation strength can particularly affect take-up rates of the earnings supplement, as shown by the Corpus Christi site's achieving higher and more consistent take-up rates than the other Texas sites. Houston — the only site in the Texas ERA study that did not produce impacts on employment and earnings — experienced significant implementation problems, particularly a weak marketing effort and limited communication with participants after they found jobs, and had relatively low supplement take-up rates.

LESSONS FOR POLICY AND PRACTICE

This section discusses recommendations for practitioners regarding how to design and operate earnings supplement programs. The research findings described above show the potential for earnings supplements to increase participants' income and improve family well-being, but implementation challenges exist, and programs must be strongly implemented to be effective.

Lessons in Designing Earnings Supplement Programs

- **Provide additional employment services, particularly those that prepare individuals for work and focus on advancement to higher-paying jobs.** Job search services that helped

individuals obtain jobs were an important component of the earnings supplement programs studied thus far. As noted, however, the earnings gains that these programs produced were rarely driven by higher wages or advancement to better jobs. This indicates a need for additional services to promote job advancement. While there is limited research available on how to promote job advancement among low-income individuals, one promising strategy may be the use of employer intermediaries, to match employed individuals with jobs in particular firms that pay higher wages and have promotion possibilities.¹² It may also be important to provide additional financial stipends to encourage participation in skill-building activities that can potentially lead to a better job.¹³ Finally, sectoral training strategies that are designed to provide industry-specific expertise in the design and ongoing operation of job training efforts have produced positive effects on employment outcomes for low-income individuals with an interest in and the requisite skills needed to benefit from such training.¹⁴

- **Consider strategies to lengthen the period that individuals receive supplements, and provide additional supports after the supplements end.** In the programs considered here, with the exception of the Texas ERA program, when the earnings supplements ended, their effects on income also disappeared. This indicates a need to make supplements as long-lasting as possible to support families as they transition off the subsidies — for example, by helping them access other work support programs that they may not be receiving (EITC, food assistance, child care, and transportation) or to assist individuals using other job advancement strategies. (See the preceding lesson.)
- **Consider different programmatic platforms for offering earnings supplements.** The

experience of this diverse set of programs shows that there are a range of options for providing earnings supplements. In addition to Temporary Assistance for Needy Families (TANF), which is the most common route for providing supplements through earned income disregard policies,¹⁵ programs have been operated by community-based organizations (New Hope), community colleges, and other organizations. Offering earnings supplements outside the TANF agency can help avoid the stigma of welfare and encourage participation, potentially be designed to target low-income workers broadly, and avoid conflicts with time-limit clocks and other welfare policies. However, this arrangement may require a new administrative structure to track and distribute supplements effectively, and extensive outreach may be needed to inform eligible individuals about the supplements.

Lessons in Operating Earnings Supplement Programs

A key component of implementing an earnings supplement program is ensuring that individuals take advantage of the benefit. If individuals do not understand how to receive the supplement based on their employment decisions, supplements are likely to be used only by those who would have worked regardless of the availability of supplements, providing a “windfall.” While all the programs discussed above produced positive economic effects, they varied in terms of the take-up rates that they achieved. Although it is difficult to make direct comparisons across the programs due to their different designs, MFIP, New Hope, and SSP achieved relatively high rates, while the Texas ERA and UK ERA programs achieved more moderate rates. Common reasons for nonparticipation in earnings supplement programs — in addition to an individual’s not being able to secure employment — include lack of awareness, eagerness to leave the stigma of welfare

behind, lack of understanding of eligibility requirements, and disbelief that the benefit is genuine. Following are several strategies to address these issues.

- Market earnings supplements aggressively.** For earnings supplements to effectively influence individuals’ employment decisions, strong marketing efforts are needed so that potential recipients understand the specific requirements — particularly those involving work — for receiving the supplements. The experience of the programs discussed here indicates that the earnings supplements should be marketed early and often during program tenure. But special efforts also should be made to reach individuals when they are ready to use the supplements; do not assume that individuals will remember specific rules and requirements when they begin working.

Program operators should consider using multifaceted marketing strategies to reach eligible families, by promoting partnerships with community organizations and social service providers, businesses and business associations, public utilities, the faith community, child care centers, and economic development groups. Public campaigns using a variety of media, targeted mailings, and dissemination of posters and flyers at community locations are important. Marketing should promote the program as a support for working families and should directly confront the stigma that is often associated with receiving benefits. For example, in SSP, where nearly all of those who met the supplement eligibility criteria actually received a supplement, the program had a more comprehensive marketing strategy, including individual activities within group orientation sessions dedicated exclusively to a discussion of the financial benefits of the incentive, and staff made follow-up

home visits and phone calls to review the program's key services.

- **Establish relatively straightforward service and eligibility rules and nonwork requirements to maximize take-up rates.**

The experiences of the programs examined here indicate that simplifying eligibility and administrative requirements can make it easier for families to access benefits and also make marketing more straightforward. In New Hope, staff found it challenging to communicate the benefits of the program, given the complexity of its services, which included — besides the earnings supplements that varied based on income — child care and health insurance subsidies and community service jobs. While the Texas ERA program had a relatively simple design — a \$200 monthly stipend as long as you worked 30 hours per week — the program was administratively cumbersome because it required many steps to qualify for the incentive, including working longer than four months (and receiving a TANF earned income disregard during this period) and attending a monthly employment-related activity, which dampened the stipend's take-up rate.

Simplifying both the design and the administrative requirements can make it easier for eligible families to access benefits and also can make marketing more straightforward. This includes clearly defining the hours and wages (if applicable) of work required to receive a supplement; making the supplement relatively straightforward in terms of when and if it increases or decreases with income and phases out (if it cannot be permanent); and minimizing the requirements besides work that are needed to receive a supplement, since eligible individuals are likely to have limited time, given their work and family demands. The application process can also

be streamlined by shortening forms, minimizing appointments, and allowing families to report information by phone, fax, or e-mail.

- **Explain clearly to participants how earnings supplements can benefit their lives.**

For any earnings supplement program to be successful, targeted individuals and families must believe that it is genuine and can improve their lives, understand its requirements, and take the steps needed to receive the benefit. Administrators and staff in the programs discussed here used a variety of strategies to ensure that this message was both received and understood by potential participants. These methods included making direct personal contact with potential participants, keeping printed materials simple and direct, repeating information frequently, and using hypothetical examples to show how the incentives work. SSP used worksheets that asked participants to provide a detailed list of their expenses and then calculated supplement payments for a hypothetical income level. As a result, participants not only could see how their income would increase with the supplement but also could directly project how the increased income could be used to handle their household expenses.

Earnings supplements offer an important opportunity to increase the employment levels and income of low-income individuals.

Overall, earnings supplements offer an important opportunity to increase the employment levels and income of low-income individuals and provide an efficient way to transfer income to poor families. Results from rigorous evaluations have been positive across a diverse set of programs, indicating the robustness of this approach and also providing a rich set of lessons for those considering developing strategies in this area.

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NOTES

¹ The Earned Income Tax Credit (EITC) is another form of an earnings supplement. Because of its different design — provided through the tax system and typically provided on an annual basis — it is not discussed here.

² Random assignment designs, in which individuals who are eligible for the program being studied are assigned by chance to a *program group* that is subject to the program and a *control group* that is not, are often considered the gold standard of policy analysis. Because people are assigned to the groups through a random process, there are no systematic differences between the groups when they enter the study, and any differences that emerge in the follow-up period can be attributed to the program being studied.

³ This brief does not provide a synthesis of the entire range of earnings supplement programs. The programs discussed here are included because the earnings supplement was a key feature of them and they were evaluated using a random assignment research design. Other programs that provided earnings supplements, but not as a primary component or without a rigorous evaluation of their effects, are not discussed.

⁴ This brief is part of the national multisite ERA evaluation conducted by MDRC for the Administration for Families and Children within the U.S. Department of Health and Human Services. A total of 16 ERA models, including the Texas ERA program, were implemented in eight states, and, in total, over 45,000 individuals were randomly assigned to research groups. (For effectiveness results for most models in this study, see Hendra et al., 2010).

⁵ In addition to those who received cash assistance, the UK ERA program also targeted low-income working individuals who were receiving a tax credit.

⁶ The MFIP and SSP evaluations tested the effects of providing the supplement on its own, compared with providing the supplement combined with employment services.

⁷ Earned income disregards allow welfare recipients who find jobs to continue to receive a specified portion of their welfare grant.

⁸ The ERA program in Fort Worth also produced increases in some measures of employment, employment retention, and earnings in a four-year follow-up period, relative to the control group levels, but the effects were not as consistent or long-lasting as they were for the program in Corpus Christi. Houston is the third site that operated the Texas ERA model.

⁹ At this writing, only two years of follow-up are available for the UK ERA program.

¹⁰ See Eissa and Hoynes (2006) and Holt (2006).

¹¹ A cost analysis has been completed for the UK ERA program, and it also shows an increase in government costs. A comparison of benefits and costs in the UK ERA program is not yet completed.

¹² The Chicago ERA program used this strategy, and nonexperimental work has supported this strategy as well. See Hendra et al. (2010) and Andersson, Holzer, and Lane (2005).

¹³ See Richburg-Hayes et al. (2009).

¹⁴ See Maguire, Freely, Clymer, and Conway (2009).

¹⁵ All states except Wisconsin have some type of earned income disregard policy.

Providing Earnings Supplements to Encourage and Sustain Employment

Lessons from Research and Practice

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hree decades of mostly stagnant wages have made it difficult for many low-income parents to support their families, despite available work supports. As a result, some states and localities have implemented programs that provide an additional supplement to individuals' earnings, generally combined with other services. This brief summarizes key findings from MDRC-conducted studies of five earnings supplement programs — which varied in design, target population, and services — and provides lessons for both policy and practice. Overall, the findings reveal that earnings supplements substantially increased employment and income and, in many cases, employment retention; that the earnings supplement programs generally had limited effects on employment advancement; that earnings supplements combined with employment services have larger effects than earnings supplements alone; that earnings supplement programs can be a highly efficient mechanism for increasing the income of low-income families; and that the way in which these programs are implemented matters.