Findings of This Study

OVERVIEW AND SUMMARY

Strong interest by the public and the states and by Congress and the Clinton administration has placed welfare reform high on the national agenda. At the same time, the implementation of the Family Support Act (FSA) of 1988, including the Job Opportunities and Basic Skills Training (JOBS) Program, has raised pointed questions about ways to improve the effectiveness of employment and training programs for recipients of Aid to Families with Dependent Children (AFDC), the nation’s largest cash welfare program. This study addresses some of these questions using data from four social experiments designed to test the effectiveness of alternative welfare-to-work strategies. Three of the experiments evaluated state-initiated programs, created under the Work Incentive (WIN) Program system. They tested special services and procedures to encourage welfare recipients to find work and leave the welfare rolls. The programs were evaluated between 1982 and 1987 by the Manpower Demonstration Research Corporation (MDRC) as part of a series of experiments known collectively as the Demonstration of State Work/Welfare Initiatives (Work/Welfare). The fourth experiment was the Saturating Work Initiative Model (SWIM) in San Diego (1985–1988), a specially funded federal demonstration program, also evaluated by MDRC.

1WIN was the national employment and training system for AFDC recipients that preceded JOBS. Under provisions of a 1981 law, states could elect to reorganize their WIN programs as WIN Demonstration programs, which could be operated with greater flexibility. The three programs mentioned in the text were operated under WIN Demonstration authority.
The present study expands on previous work in two ways. We use information covering a much longer follow-up period, and we examine new measures of employment and welfare behavior. The analysis is based on five years of follow-up data, two to three years more than was available previously, providing valuable information about the longer-term impacts of welfare-to-work programs. Long-term impact estimates are critical in understanding the full effect of a program. They tell us whether permanent changes were made in the lives of program enrollees. Even rather modest continuing impacts can dramatically improve the overall assessment of program results.

In addition to analyzing longer-term follow-up, we analyze new measures that describe patterns of work and welfare behavior over time. For example, we examine employment stability to see how long program enrollees hold on to jobs once they have found them. We also analyze AFDC recidivism, the tendency of some individuals who exit AFDC to return after a time.

The study yields a number of conclusions. The four programs appear to have used their modest resources in a cost-effective way. They encouraged more enrollees to enter employment or to start working sooner than they would have without the programs. More enrollees working and faster job finding led to increased total employment, and increased employment led to increases in total earnings. For all four programs, the gains in enrollees’ earnings were several times larger than program net cost. Increased employment also meant that program enrollees left AFDC sooner. The resulting reductions in AFDC payments were usually smaller than earnings gains, but were still large enough to more than offset program costs in two programs. When impacts on transfers other than AFDC are factored in, the savings were about equal to program costs in a third program. We also find that program enrollees who left AFDC were no more likely to return to the welfare rolls than people who were not enrolled in a program. These findings suggest that the tested programs achieved solid, though not spectacular, results.

But we also find some shortcomings. The programs, with one exception, were not successful in helping their graduates find better-paying jobs. Nor did they help enrollees find jobs offering noticeably better job security. In two of the four programs, earnings gains achieved by the programs produced little or no improvement in the financial position of enrollees: those earnings gains were largely offset by AFDC benefit reductions. The one program where employed program graduates did obtain better-
paying jobs produced the longest-lasting impact on total earnings. It clearly improved the financial position of enrollees. This program offered more generous education and training than would be typical of many programs, but it did not produce significant reductions in AFDC payments and therefore produced no savings for government budgets. In addition, most of the earnings gains appear to have accrued to a small number of program enrollees. Finally, the four programs had limited success in reducing the number of enrollees who face long future spells of joblessness and AFDC receipt. Modest reductions in long AFDC spells were obtained in two of the programs, but future programs will need to achieve greater impact on long spells if they are to have a larger total impact on AFDC.

These shortcomings may be addressed by a new generation of welfare-to-work programs. JOBS has moved beyond previous policy, especially in permitting a more enriched mix of services and supports to a larger population and in promoting attention to the more disadvantaged groups within that population. Learning how to make more expensive services most effectively increase earnings for individuals with moderate to severe skill deficits is one of the great challenges facing policymakers. Through creative combinations of past practice and careful innovation, JOBS may be able to achieve better results with the long-term AFDC caseload. This is necessary if the program is to have a larger and more sustained impact on enrollees' self-sufficiency and income.

**PROGRAMS AND METHODOLOGY**

**Programs**

AFDC provides cash payments for needy children who have lost the support of a parent who is absent, incapacitated, deceased, or unemployed. The great majority of AFDC children reside in single-parent families. The monthly AFDC benefit includes an amount for the support of the children's caretaker, but AFDC payments end when the children become ineligible (generally on their 18th birthday). States administer AFDC and set their own monthly benefit levels, which differ widely. Federal funds cover from 50 to 80 percent of AFDC payments in a state, depending on the state's per capita income. In 1992, some 4.8 million families and 13.6 million individuals received $22.2 billion in AFDC. Families receiving AFDC are automatically eligible for Medicaid and may receive food stamps and other assis-
tance. Earnings are counted against the AFDC grant and may reduce it, but some work expenses and other allowances may be deducted from earnings first. Most families receiving AFDC do not have reported earnings. It is possible, however, for a family with a part-time or low-pay worker to receive some AFDC, and, in states with higher AFDC benefit levels, greater earnings would ordinarily be possible before the monthly AFDC amount goes to zero.

The four welfare-to-work programs under study operated in the states of Virginia and Arkansas and in the cities of Baltimore, Maryland, and San Diego, California. All four programs aimed at increasing employment and earnings and reducing AFDC receipt. The target populations consisted mainly of single-parent family heads receiving AFDC. Most were women. Baltimore and San Diego also worked in smaller numbers with two-parent families with an unemployed head (AFDC-U cases, mostly males), but we do not examine their experiences in this study.

The most common program activity was some form of structured job search, which provided guidance in job-hunting techniques and assigned job search tasks, either individually or in a group setting. In three of the four programs, job search was normally required as the first program activity. Enrollees who failed to find a job could be assigned to three-month unpaid work positions in public or nonprofit institutions. Education and training, which are more expensive to provide, were a significant part of program services in Baltimore and San Diego SWIM. But neither of these programs emphasized immediate assignment to basic education to the degree of some subsequent JOBS programs.

The programs were similar in some respects. All were relatively large scale. All four were broad-coverage programs, designed to reach or "cover" all eligible individuals in a particular target population, without selectively screening out potential enrollees on the basis of lack of "job readiness," "poor motivation," or other subjective criteria. Participation in a program was mandatory in the sense that AFDC recipients who did not com-

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2Details of the format, services, participation, and short-term impact and benefit-cost results for the four programs examined in this study may be found for Virginia in Friedlander (1988a), Riccio, Cave, Freedman, and Price (1986), and Price (1985); for Arkansas in Friedlander (1988b), Friedlander, Hoerz, Quint, and Riccio (1985), and Quint (1984a); for Baltimore in Friedlander (1987), Friedlander, Hoerz, Long, and Quint (1985), and Quint (1984b); and for San Diego SWIM in Friedlander and Hamilton (1993), Hamilton and Friedlander (1989), and Hamilton (1988). More general reviews, including results for other programs and cross-program comparisons, may be found in Friedlander and Gueron (1992), Greenberg and Wiseman (1992), and Gueron and Pauly (1991).
ply with an activity assignment risked a financial sanction, a temporary loss of a portion of their monthly AFDC grant. Single parents with any children under six years of age were exempted from the enrollment requirement, as prescribed by federal statute. Thus, roughly two-thirds of the total population receiving AFDC did not have to participate. In Arkansas, by special federal waiver, this exemption was available only to single parents with a child under the age of three. In all four sites, program staff granted many deferrals from immediate participation to enrollees for "good cause" excuses (such as illness of self or a child).

Given the emphasis on broad coverage and mandatory participation, the programs comprised more than just a set of activities. They also incorporated procedures for client outreach, enrollment, and orientation; provisions for support services such as transportation and child care; staff and procedures for assessing enrollee capabilities and needs, for assigning them to activities, and for monitoring and enforcing compliance; and a set of regulations detailing enrollee obligations and penalties for noncompliance. Typically, about half of program enrollees actually participated in a formal program activity. Among the remaining enrollees, many left AFDC before their participation could begin, some were sanctioned for noncompliance, some were excused from participating, and some were not reached by the program.

In several respects, the four programs differed in philosophy, goals, resources, and operating environment. As a result of these differences, the programs differed in the mix of services they offered, in program structure, and in their level of enforcement and overall "mandatory." The programs can conveniently be divided into two contrasting pairs: Virginia and Arkansas on the one hand and Baltimore and San Diego SWIM on the other. Virginia and Arkansas were both low-cost, job-search-first programs, without major investments in education or training. Both were implemented in a large number of urban and rural counties. In some ways, Virginia is the most representative program of the four. AFDC grants in that state were near the national median, and program net costs, at $430 per sample member, were near the middle of the cost range for the four programs. The great bulk of program activity was low-cost job search (assigned first), but three-month unpaid work assignments were commonly used as well.3 Arkansas was the lowest-cost program, at $118 per sam-

3Some Virginia enrollees were referred to education and job skills training opportunities in their communities, but they participated in such activities only slightly more than the control group.
ple member. Almost all formal activity was in group job search, although a small number of enrollees were assigned to three-month unpaid work positions. Arkansas has comparatively low AFDC grant levels, and the population enrolled in the Arkansas program was consequently very disadvantaged.

Baltimore and San Diego SWIM programs cost more than those in Virginia and Arkansas. Net costs per sample member were moderate: $953 in Baltimore and $920 in San Diego SWIM. Both programs were run in major metropolitan areas, and both offered some moderately expensive education and training services in addition to low-cost job search and unpaid work assignments. The two programs differed in important ways, however. Baltimore was oriented towards the goal of increasing enrollee employment in better-paying jobs. Instead of mandating a particular sequence of activities, the program made an effort to assess enrollees' capabilities and needs and to match individuals with the most suitable kinds of activities. Job search and three-month unpaid work assignments were heavily utilized, but Baltimore was the only one of the four programs in which job search was not automatically assigned as the first activity. It was also the only one to encourage enrollee choice of activity, when openings to particular activities permitted. Sanctioning was rare, and staff tended to secure enrollee compliance through persuasion. Notwithstanding the limited use of sanctions, participation was treated as mandatory, and staff efforts to obtain cooperation yielded participation rates that were no lower than the other programs.

Philosophically and practically, San Diego SWIM was very different. The objective of the program, which was a specially funded demonstration rather than an ongoing local program, was to have as many enrollees as possible participate in activities for as long as possible while they remained on AFDC. This strategy is sometimes referred to as "caseload saturation." Initial activities were assigned in a fixed sequence: job search, then three-month unpaid work experience, followed by education and training. SWIM offered much less scope for client choice than was the case in Baltimore. Financial penalties were applied at

*Enrollee choice was possible at several points under the SWIM program design. For example, assignment to activities could be put off for enrollees who were already employed part-time or already engaged, on their own initiative, in qualifying education or training. In addition, there was room for enrollee choice after completion of the basic job search and unpaid work sequence, at which point various education or training activities, or additional job search, could be assigned.*
a relatively high rate. More than 10 percent of all SWIM enrollees were sanctioned. Unlike Baltimore, the goals of increased employment and reduced AFDC receipt were emphasized over improved job quality. AFDC benefits in California are among the highest in the nation, whereas those in Maryland are in the middle range. Finally, SWIM was unique in that the obligation to participate in the program while on AFDC could, in theory, extend for a very long time, perhaps even years. In the other programs, if an enrollee did not find a job, participation would usually end when the original course of assigned activities was completed. In Virginia and Arkansas, this usually occurred after fewer than six months of program involvement.

Analysis Issues

Our fundamental unit of analysis is the individual program enrollee. Data are organized to show the experiences of a representative group of enrollees forward in time from the date they entered a program through a follow-up period of about five years. Persons who enrolled in each program were randomly assigned to either an experimental or control group. Members of the experimental group were eligible for special program services and were subject to program participation requirements; members of the control group were not eligible for program services and were not subject to program participation requirements, although they could find and participate in services available elsewhere in the community, outside the program. Average outcomes for experimentals minus average outcomes for controls provide unbiased estimates of program impacts. Because randomization makes the two groups similar at the start, they differ only in their exposure to the program. Any subsequent difference in behavior between the two groups can therefore be safely attributed to the program.

Experimentals who do not participate in the program are nevertheless retained in the research analysis as part of the experimental group. Employment, earnings, AFDC receipt, and AFDC payments are thus averaged over nonparticipants as well as participants. Sample members who do not become employed are still included (as zeroes) in the averages when we calculate average earnings. Sample members who leave AFDC are counted (as zeroes) in our averages for AFDC payments. The reported group differences thus represent the desired result: "average program impact per experimental sample member." Similarly, net cost is the difference between average cost per experimental and average
cost per control [for any similar services received by controls in the community].

The evaluations utilized three kinds of data: background demographic information obtained from a one-page questionnaire given to the sample members just before random assignment; earnings obtained from the computerized tapes of state Unemployment Insurance (UI) systems; and AFDC payments obtained from automated payment ledgers maintained by the state or local welfare agencies. The use of administrative records data offers important advantages in cost, but imposes some limitations as well. We do not observe some outcomes, such as hourly wage rates, which would be helpful in assessing the tested programs. In addition, some earnings are not covered by or not reported to the UI system, which tends to bias measured earnings impacts somewhat towards zero.

The Duration Issue

The availability of five-year follow-up data offers opportunities to explore important questions about long-term program impacts. But the lengthy follow-up period also gives rise to certain problems of interpretation. One important issue concerns the duration of each experiment. Ideally, estimates of the five-year impacts of a program would be based on five years of continuing program treatment for experimental sample members and a corresponding five-year prohibition or embargo against program services and participation requirements for control sample members. The original evaluations, however, were not designed to examine long-term impacts. The original evaluation designs planned only a short-term follow-up. After about two years of follow-up, each experiment formally ended, and so did the embargo on providing services to the control group. Thus, after about two years, some controls may have become subject to the same program mandate and may have participated in the same or very similar services as did experimental. Any activity by controls could influence experimental-control behavioral differences observed in the later part of follow-up.

In three of the programs, we do not know how many controls participated in program services late in the follow-up period; the possible effect of such participation is also unknown. For SWIM, researchers returned to San Diego after five years and obtained participation data from SWIM’s successor program, California’s Greater Avenues for Independence [GAIN] Program. About one-
fifth of SWIM experimentals and controls participated in GAIN; and we also know that GAIN was effective in raising earnings and decreasing AFDC payments. It is therefore likely that the estimates of SWIM’s impacts for the end of the follow-up period are less than what they would have been had SWIM been a permanent program, instead of a two-year demonstration, and had the research embargo on control services lasted a full five years. If controls had not received services through GAIN, it is likely that their employment and AFDC receipt would have “caught up” to experimentals more slowly, resulting in larger and longer-lasting experimental-control differences in those outcomes in the latter half of the SWIM follow-up period.

Post-experiment participation among controls may have been lower in the other programs, which were not superseded (as was SWIM) by new programs making special outreach efforts to engage controls. Notwithstanding, impact estimates for years three, four, and five in the extended follow-up for all four evaluation samples ought to be treated conservatively as lower-bound estimates of the long-term effects of a permanent program. Had the embargo on working with controls continued indefinitely in each of the programs, the estimates of impacts on employment, earnings, AFDC receipt, and AFDC payments would probably have been larger in the last years of follow-up and might have persisted longer.

EMPIRICAL FINDINGS

Five-Year Program Impacts

Figure 1-1 shows the net costs for the four programs and the dollar impacts on earnings and AFDC payments during the five-year follow-up period. AFDC impacts are shown as negative because they represent reductions in payments. It should be noted that length of follow-up differed across programs, running through quarter 20 in Virginia, 22 in Arkansas, and 21 in San Diego SWIM. In Baltimore, follow-up data for earnings ended in quarter 21, but quarters 13 through 18 were not available; AFDC payments were available only through year three (month 36).

5 For details of the SWIM/GAIN participation study, see Friedlander and Hamilton (1993). For short-term GAIN impacts, see Friedlander, Riccio, and Freedman (1993).
6 Throughout this study, differences, sums, and percentages shown in figures, tables, or text are computed on unrounded estimates and may differ slightly from those obtained with a hand calculator on the rounded estimates.
In all four programs, the five-year earnings of experimentals exceeded those of controls by amounts that were at least double the net costs of program operations; earnings impacts sometimes exceeded net costs by much more. The five-year earnings impacts were two to four times those observable over the originally planned two-year evaluation periods, showing the importance of the longer-term perspective in assessing total program impact.

For Virginia, the data reveal that experimentals obtained, on average, $13,098 in earnings over five years (including zeroes for non-earners). Controls obtained an average of $11,919 in earnings. The difference of $1,179 per experimental sample member is the five-year impact of the Virginia program shown in Figure 1-1. The estimate represents a 9.9 percent gain over the control mean earnings level. The observed dollar impact is nearly triple the net cost of the program.

Dollar earnings impacts were lowest in Arkansas, which had the lowest net costs, although the $1,079 total earnings gain was close to the gain in Virginia. The earnings impact in Arkansas was 16 percent of the control mean. The earnings gain was nine times the net cost of the Arkansas program, the highest impact/net cost ratio among the four programs. The high impact/net cost ratios for Virginia and Arkansas show that job search and unpaid work activities can be implemented quite cost-effectively.

The observed earnings impact for Baltimore was only $1,380, but this effect occurred in a follow-up period with a gap of six missing quarters. It is almost certain that the missing data would show that the total five-year earnings impact in Baltimore was somewhat larger. If we credit the missing interval with an impact that is the average of the earnings impacts in the year prior to the gap and the three quarters available after the gap, we obtain a five-year total earnings impact estimate of $2,119 per experimental sample member for Baltimore (shown in Figure 1-1 with the interpolated amount more lightly shaded). The five-year earnings gain in Baltimore was then about the same as the gain in San Diego, which was $2,076 per experimental sample member. In percentage terms, five-year earnings impacts in Baltimore and SWIM were also similar: 14 and 15 percent of average control-group earnings, respectively.

Across the four programs, earnings impacts appear to have increased with net cost. Net costs in Baltimore and San Diego SWIM were about twice the net cost in Virginia and an even greater multiple of net cost in Arkansas. But both of the more
costly programs produced five-year earnings gains that were larger than those of the two lower-cost programs and also exceeded twice their own net costs. This raises the question of whether greater effort might bring still larger impacts. At the same time, the somewhat lower impact/net cost ratio in Baltimore and San Diego SWIM compared with Virginia and Arkansas suggests that returns to more expensive education and training are decreasing. That is, adding more expensive education and
training to a mix of program services may eventually cease producing additional impacts.

As noted earlier, the formal experiments came to an end after the first two years. Had the reporting of impacts ceased with follow-up year two, observed total earnings impacts would have been considerably lower. In Virginia, earnings gains for years one and two totalled $352; the five-year estimate was more than three times this amount. In Arkansas, the five-year earnings gain was nearly triple the gain in the first two years. Similar results were obtained for the two moderate-cost programs. In San Diego SWIM, the five-year gain was more than double the two-year estimate, and so was the five-year gain in Baltimore, even with the missing earnings quarters. These results show why it is useful to collect and analyze longer-term follow-up data. Long-term impacts are often important in determining the full impact of even quite low-cost programs. As discussed earlier, impact estimates for the later years of these four evaluations should be considered lower-bound estimates of the impacts of ongoing, permanent programs.

- AFDC savings over five years were large enough to pay government budgets back for the cost of two of the four programs. AFDC savings were more than twice program cost in San Diego SWIM and more than six times cost in Arkansas. AFDC savings plus other impacts on transfers paid back program costs in Virginia. Little if any welfare savings were obtained in Baltimore.

Reductions in AFDC payments were usually smaller than earnings gains and were not found for every program. The relationship between earnings gains and AFDC reductions is not straightforward. In Virginia, observed total AFDC payments to controls over the five-year period were $6,641 (including zeroes for periods off AFDC); average payments to experimentals were $6,318. The $323 difference (Figure 1-1) amounted to 4.9 percent of average payments received by controls. When lower Medicaid payments, higher tax collections, and reduced administrative costs for transfer programs are factored in, the Virginia program almost certainly broke even.

The Arkansas program produced larger five-year AFDC reductions, $735 per experimental sample member, or 14.3 percent of five-year AFDC payments to controls. These savings were double

Footnote: Estimates for years one and two are taken from Table 4-2.
those in Virginia. They were more than six times net program cost in Arkansas, indicating that, even ignoring effects on other transfers, the program more than paid back its costs to government budgets. San Diego SWIM produced a still larger dollar amount of AFDC savings: $1,930 per experimental, or 10.3 percent of average payments to controls. In fact, the AFDC dollar impact for SWIM is the largest found for an experimentally evaluated broad-coverage program of the 1980s. The impact was more than twice net costs, again indicating that the program more than paid for itself from the perspective of government budgets. As with earnings, five-year impacts on AFDC payments for Virginia, Arkansas, and San Diego SWIM were more than double the impacts that would have been observed at the end of the two-year experiments.

Despite the absence of welfare information from the fourth and fifth years, it is clear that the AFDC impacts in Baltimore were the smallest of the four programs. The dollar impact amount was close to zero and equaled only 1 percent of control-group payments. AFDC savings alone were clearly insufficient to pay the net costs of the Baltimore program. Enrollees, on the other hand, obtained the benefit of increased earnings without much of an offset from reduced AFDC income. This combination of relatively large earnings impacts without corresponding AFDC impacts can occur if earnings effects accrue mainly to program enrollees who are not likely to remain on AFDC for long. In such a case, the increased earnings may not speed case closure any more than would have occurred in the absence of the program.

- As a result of the programs, enrollees depended more on their own earnings and less on AFDC for income over the five-year follow-up. This increase in “self-sufficiency” may have yielded benefits—or costs—to enrollees that cannot be measured in purely financial terms.
- Subtracting AFDC reductions from earnings gains, however,

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8In order to conform with data in Virginia, Arkansas, and Baltimore, data for San Diego SWIM in this study are organized differently from other SWIM studies. These differences result in slight discrepancies between impact estimates for SWIM in this study and the others.

9More recently, two-year impacts for several counties in the California GAIN evaluation showed AFDC savings of $1,397 per experimental sample member in Riverside County, an impact larger than dollar savings for the first two years in SWIM. See Friedlander, Riccio, and Freedman (1993), Table 2.1.

10Estimates for years one and two are taken from Table 4-2.
indicates that the overall financial position of enrollees improved in only two of the four programs.

- Enrollees gained most where government budgets gained least, suggesting a possible trade-off of income gains for budgetary savings.

By at least one measure, the programs increased self-sufficiency: experimental sample members obtained a larger share of income through their own efforts in unsubsidized employment and a smaller share through AFDC. Increased productive work, in and of itself, is seen by some as a high-priority goal for welfare employment programs.

In the four evaluations, directly measurable financial benefits to enrollees consist of gains in earnings minus reductions in AFDC payments. In theory, it is possible for both enrollees and government budgets to gain, which would be the case if AFDC reductions plus related transfer effects were large enough to cover program costs but earnings gains were even larger. Virginia came closest to this result: government budgets made back approximately what they spent on the program, but, from the enrollee perspective, the modest AFDC reductions offset less than a third of the earnings gain. Among the four programs as a group, however, net financial benefits received by enrollees were obtained at the expense of financial benefits for government budgets. Financial benefits to enrollees were largest in Baltimore, where there was almost no offset to earnings gains from reduced AFDC. Government budgets paid out more to operate the program than they got back in welfare savings and other transfer reductions. Arkansas and San Diego SWIM were the two programs that yielded the most benefit to government budgets. Reduced AFDC payments offset more than two-thirds of earnings gains in Arkansas and nearly all the earnings gains in SWIM.

The trade-off between financial gains for enrollees and for government budgets may be greatly influenced by the format of a welfare-to-work program. A comparison of Baltimore and San Diego SWIM illustrates this point. These two programs differed in the goals they stressed. Baltimore gave a high priority to helping enrollees obtain better jobs, even if that meant staying longer on AFDC to complete a course of education or training. SWIM emphasized maximum participation, rapid employment, and AFDC case closings. These differences were reflected in the program formats. The Baltimore program was designed to encourage participation in activities that would most increase earnings for
an individual. Enrollees were given some latitude to pursue activities with the biggest payoff to themselves. As a by-product, the program may have encouraged participation most among individuals who expected to leave AFDC in the short run and who therefore saw clear benefits from increasing their earning power. In addition, the program may have lowered potential AFDC savings by encouraging some participants in education or training to remain on AFDC longer than they otherwise would have.

In contrast, San Diego SWIM enrollees were given less leeway. To achieve maximum monthly participation at large scale, activities were assigned in a fixed sequence and few exceptions from that sequence were allowed. Sanctioning rates were relatively high. This approach may have affected enrollees with longer expected future AFDC stays and therefore with more AFDC income to lose if they became employed.

Impacts Over Time

- Control-group earnings approximately tripled from year one to year five in all samples. Over the same period, AFDC payments to controls dropped by one-third to two-thirds.

An oft-expressed concern over low- to moderate-cost welfare-to-work programs is that program effects will "wear off," that many program graduates will lose or leave their newly found jobs and return to AFDC. Wearing-off may, however, play less of a role than control-group catch-up. For earnings, the tendency to catch up occurs because many controls find jobs on their own and because earnings on the job increase with pay raises or promotions or movement to better jobs. This upward drift in control earnings can narrow the initial difference created by the program between experimentals and controls. At the same time, the receipt of AFDC declines gradually, partly because of the growth in earnings. Marriage or reconciliation also contributes to the decline in AFDC receipt. And AFDC benefits for both experimentals and controls must sooner or later fall all the way to zero simply because their children grow up and become too old to qualify for AFDC. Impacts on AFDC must therefore be driven to zero eventually for any group of program enrollees. In these four studies, AFDC receipt among controls declined steadily from year to year until, by year five, only about 25 to 35 percent were receiving AFDC. This pronounced decline in AFDC receipt may be expected to shrink the experimental-control AFDC differential by the end of follow-up.