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FINAL REPORT OF THE SECOND SET OF FOOD STAMP WORKFARE DEMONSTRATION PROJECTS

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EXECUTIVE SUMMARY

The Food Stamp Act of 1977 (P.L. 95-113) required the United States Department of Agriculture (USDA) and the Department of Labor (DOL) to conduct pilot projects in which food stamp recipients perform work in exchange for their benefits. In 1980, the Food Stamp Act Amendments (P.L. 96-249) extended the operational period of these projects, and from December 1980 to December 1981 a second set of 14 sites (including two of the original project sites) operated Workfare Demonstration Projects.

This final report presents an evaluation of workfare as implemented at these 14 sites. Specifically, the report addresses four questions:

1. Was workfare administratively feasible?

2. Did participants in the Workfare Demonstration leave the Food Stamp Program faster than similar food stamp recipients who were subject only to normal work-registration activities?

3. Were Workfare Demonstration participants more likely to obtain jobs and increase their total earnings?

4. Was workfare cost-effective?

OVERVIEW OF THE WORKFARE DEMONSTRATION

The workfare concept tested in the demonstration was designed to ensure that only those employable persons who were willing to work received benefits, that useful public services were provided during the benefit period, and that individuals gained some work experience. The overall goal was for employable persons to find jobs in the regular labor market, thereby reducing or eliminating their food stamp dependence.

The Workfare Concept

Under the design legislated in the Food Stamp Act of 1977, workfare required certain food stamp recipients at designated demonstration sites to work at public service jobs in return for their food stamps. In general, recipients were subject to workfare if they were food stamp work registrants (i.e., were able-bodied adults between the ages of 18 and 60 who were not already working, caring for children or an incapacitated adult, or subject to the work or job-search requirements of another program). Work registrants were exempt from workfare if the household's earned income was greater than or equal to the household's

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food stamp allotment. Only one work registrant per household was subject to workfare, although the work obligation may have been shared by two work registrants if the household so desired.

Recipients were referred to workfare each time they were certified or recertified for food stamps. They became subject to workfare assignments 30 days after their initial work-registration date.[1] The 30-day exemption allowed recipients to engage in a period of uninterrupted job search before workfare was required. The number of hours to be worked was determined by dividing the value of the household's monthly food stamp allotment in excess of the household's earned income by the federal minimum wage. For example, if the value of the food stamps exceeded earned income by $33.50, the person who was eligible for assignment was to work 10 hours per month ($33.50 ÷ $3.35).[2] Participants were not required to work more than a total of 40 hours per week at workfare and paid employment. If a person who was eligible for workfare failed without good cause to comply with the workfare process, that person was sanctioned. For each month in which the household member was noncompliant, that person was disqualified from receiving food stamps as part of the food stamp household for one month.

Workfare assignments were made in public and nonprofit agencies. Workfare participants could not be used to displace the normal workforce but were to receive the same fringe benefits and work under the same conditions as similar nonworkfare employees. Workfare operated in addition to the work-registration activities undertaken by the Food Stamp Agency (FSA) and the Employment Service (ES). Workfare jobs were not to prevent participants from searching for regular unsubsidized jobs (e.g., participants were not to be penalized if the job-search activities directed by the Employment Service interfered with the completion of their workfare obligation).

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[1]If a newly certified food stamp recipient had been a work registrant within the previous six months, the recipient was immediately eligible for a workfare interview and assignment. Persons with two or more workfare referrals because of back-to-back recertifications for food stamps were ineligible for more than one job-search period. During the second year of the Workfare Demonstration, San Diego County, California, tested a 10-day job-search period.

[2]The minimum wages for 1979, 1980, and 1981 were $2.90, $3.10, and $3.35, respectively. As the rate changed, the appropriate wage was used to determine the household's obligation.

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It should be noted that the design which is evaluated herein differs from current law. In particular, waiting 30 days to make program assignments is optional under current law, and the current sanction disqualifies the entire food stamp household for two months.

Organizational Responsibilities

Although the second-year demonstration was administered nationally by the U.S. Department of Agriculture and Department of Labor, the project was administered at the local level through the cooperative responsibility of several agencies.

At the local level, each workfare project consisted of three major components:

1. **Workfare Sponsor**: the political jurisdiction (county or city) that authorized the application to participate in the demonstration project and was responsible for ensuring that the project operated according to applicable regulations.

2. **Jobs Component**: the official agent of the workfare sponsor. This agency was responsible for daily operations and for periodic reporting to the Food Stamp Agency, the Department of Agriculture, and the evaluation contractor. The jobs component developed jobs, assigned participants to job sites, maintained the basic agreements among the cooperating agencies, and ensured their compliance with project regulations.

3. **Local Food Stamp Agency**: identified eligible workfare participants, calculated the work-hour obligation, and took action to reduce benefits when participants did not comply with the workfare requirement.

EVALUATION DESIGN

The evaluation consisted of four analytical components. First, an analysis of program administration was conducted in order to (1) describe the implementation of workfare, (2) assess the extent to which the sites actually implemented or departed from the basic workfare program design, (3) identify the relationships between the workfare program and the conventional Food Stamp Program work-registration/job-search program that was operating at the time of the demonstration, and (4) identify the operational problems that were encountered in administering the program. Second, an analysis of the impacts of the program on participants measured the extent to which workfare

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achieved its major objectives: to reduce food stamp receipt and to generate greater employment among the target population. Third, a cost analysis measured the costs of administering the Workfare Demonstration per participant. Fourth, a benefit-cost analysis brought together the results of the impact analysis and the results of the cost analysis to assess whether workfare, as it was implemented during the demonstration, was a cost-effective use of public resources.

Comparison Group Methodology

The evaluation relied on a comparison group methodology in which the experience of individuals who were required to comply with the conventional food stamp work-registration rules at nondemonstration sites was used as a benchmark for measuring the impacts of the Workfare Demonstration on its participants.

Comparison sites were chosen to match their respective demonstration sites as closely as possible in terms of factors that were expected to influence the food stamp receipt and future employment of food stamp recipients. The site-matching process took into account the characteristics of the localities, the characteristics of the population, and the composition and dynamics of the food stamp caseload.

The demonstration-site sample was stratified according to the individual's level of program participation. Those who actually worked in a workfare job were oversampled to ensure that the number of sample members in this group was adequate to support the planned analyses.

Comparison sample members were selected from among individuals who were work registrants in the comparison sites. Individual work registrants were chosen by matching them with demonstration sample members in terms of personal characteristics that were expected to influence food stamp receipt and employment.

Data Sources

The evaluation was based on several sources of data: on-site observations and discussions with project administrators, Food Stamp Agency records and workfare records maintained in the Workfare Management Information System (MIS), and personal interviews with a probability sample of workfare participants and their matched comparison-group counterparts.

On-site observations and discussions with project staff were undertaken to obtain information on planning activities and implementation at the sites, the total costs

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of the program, and the time devoted to undertaking the separate steps of the workfare process.

The Workfare MIS contained data on the workfare participation of all participants who were referred to workfare between December 1980 and December 1981. The MIS data were used both to analyze the implementation of the demonstration and to select the survey sample, and for program monitoring purposes.

Information collected through in-person and telephone interviews with the demonstration and comparison-site samples was used to analyze the impacts of workfare on food stamp receipt and employment and to assess participants' experience in the workfare program.

Strengths and Limitations of the Evaluation

As we describe in Chapter 4, the Workfare Demonstration was generally well implemented in all 14 sites and conformed to the planned workfare model. Consequently, an evaluation of the impacts of the program provides estimates of the average effects across similar treatments. However, like other evaluations that have adopted a similar methodology, the evaluation of workfare is subject to some important limitations that should be clearly understood in order to interpret the findings appropriately.

A major issue is whether the workfare comparison group actually provides a suitable "standard of comparison" against which the behavior of the treatment group can be contrasted. For most evaluation purposes, a randomized design in which all program-eligible individuals are assigned randomly to either "experimental" (treatment) or "control" (no treatment) status yields the optimal groups for comparative purposes, because it helps ensure both that the two groups differ systematically only in terms of whether or not they received the program treatment and that differences in postprogram outcomes can be attributed to the treatment. However, in the Workfare Demonstration, one important objective of project planners was to test the administrative feasibility of workfare in a setting where services were offered to all eligible individuals. Thus, a true "control" group could not be created in the workfare sites. It is important to recognize that this basic design choice introduces an unquantifiable degree of uncertainty about whether and to what extent unmeasured differences between the samples, rather than the program intervention itself, are responsible for the observed differences that we attribute to workfare.

Despite this fundamental limitation, three factors support the conclusion that the workfare comparison group provides a credible benchmark for the evaluation.

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1. Self-selection" bias is unlikely to pose a serious analytic constraint, since comparison group members were nonparticipants solely because they did not reside in an area with a specific workfare requirement. A common problem with evaluation designs based on nonrandom comparison groups is that members of the participant group have chosen to participate, while members of the comparison group have not. In this situation, motivational differences and program impacts are confounded, and comparing the experience of participants with the experience of nonparticipants may not yield an accurate measure of the effects of the program. An important feature of the workfare evaluation design is that both workfare participants and comparison group members had made similar choices and were facing similar circumstances at the time of their selection into the analysis sample, thus minimizing the likelihood of unmeasured motivational differences and their associated bias. In particular, the comparison group was selected from individuals who, like workfare participants, had recently become subject to the work registration requirements of the Food Stamp Program. Thus, members of both the participant and the comparison groups had recently made similar decisions about their labor force and food stamp participation, and neither group decided to participate (or not to participate) in the workfare program. Again, the comparison group members were nonparticipants solely because they did not reside in an area with a specific workfare requirement. While this criterion raises the possibility that differences associated with location could erroneously be attributed to workfare, it seems unlikely that unmeasured individual differences threaten the validity of the results.

2. The workfare comparison group provides a credible benchmark because the demonstration and comparison sites appear ex post to have been quite well-matched in terms of labor market trends, as measured by the local area employment rates. This factor suggests that members of the workfare target group faced similar employment opportunities. Furthermore, controlling statistically for local area unemployment rates in the estimation procedure did not affect our estimates of program impacts.

3. Males in the demonstration and comparison groups exhibited very similar patterns of employment and food stamp receipt during the period prior to their

Food Stamp Program work registration requirements (and referral to workfare).

Several other factors raise questions about whether the study accurately measured the impacts of the demonstration as implemented, and these limitations should be kept in mind in interpreting the results.

- The female comparison group worked more hours and received less food stamps prior to referral than did female members of the workfare sample. However, both the workfare and the comparison samples exhibited similar trends over the pre-referral period, and the trends shift at the point of their referral to workfare. The pre-referral differences raise questions about the magnitude of these impacts, but the divergence in trends at the point of referral suggest that the workfare intervention did have an impact.

- The employment findings for females are sensitive to whether the San Diego demonstration site and its comparison site are included or excluded from the analysis sample. The sensitivity of the results to the inclusion or exclusion of a sample site suggests that the employment findings for females should be treated cautiously.

- Another potential limitation is that approximately one-third of the original sample was not available for the analysis because they did not respond to at least one of the two follow-up interviews. Although the characteristics of nonrespondents in the demonstration and comparison samples are quite similar, the postprogram experience of nonrespondents in the comparison sample may have differed from the postprogram experience of demonstration sample nonrespondents. This difference could also cause measured impacts to differ systematically from the true impacts.

Finally, when the results of the Food Stamp Workfare Demonstration are applied in the policy process, it is very important that the context and circumstances in which the demonstration occurred be taken into account. Are the impacts of workfare that are observed <u>during the demonstration</u> likely also to occur within the context of the broader implementation of workfare? The restricted number of sites (all of which applied to participate), the special monitoring of site activities that was undertaken

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for evaluation purposes, and the short duration of the demonstration all mean that the impacts measured in the demonstration may not accurately reflect what would occur under a more broadly implemented workfare program.

It is also important to bear in mind that Food Stamp Program work requirements have changed since 1981. These changes in the existing program may alter the net impact of introducing a workfare requirement in the late 1980s relative to the net impact that occurred during the Workfare Demonstration in the early 1980s. Regulations promulgated in 1981 specified a job-search requirement that sites were permitted to impose upon food stamp participants. Regulations published in 1985 have required that states provide an employment and training program to food stamp work registrants, and have specified performance standards associated with the proportions who must be served. As the Food Stamp Program rules specify more stringent standards for employment and training programs, thus strengthening the conventional FSP work requirements, the net impacts and costs of requiring work registrants to perform work in exchange for their Food Stamp benefits may change. All of these factors mean that the findings from the Food Stamp Workfare Demonstrations must be applied carefully in the process of planning current programs.

FINDINGS ON THE ADMINISTRATION OF WORKFARE

The following sections summarize the main conclusions from the administrative analysis, and then discuss the implications of these findings for the impact analysis.

Conventional Work Registration/Job Search

Individuals at all demonstration and comparison sites were subject to conventional Food Stamp Program work requirements, with workfare constituting an additional responsibility for individuals at the demonstration sites. Thus, the work-registration activities that were to be undertaken by all Food Stamp Program work registrants were investigated in both the demonstration and comparison sites.

The findings indicate that relatively small percentages of work registrants in both the demonstration and comparison sites were served or placed by State Employment Security Agencies (SESAs). Thus, workfare did not appear to interfere with the conventional work-registration program. Moreover, observed demonstration/comparison differences are not due to differences in the conventional work-registration program.

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Shortened Initial Job-Search Period

Because few job-finding services were provided under the conventional program, participants were permitted but not usually required to engage in job search during the initial 30-day period. This led many site officials to question the value of waiting 30 days to make workfare assignments. In response to these concerns, one site, San Diego, was authorized to operate with a 10-day, rather than a 30-day, initial job-search period during the second set of demonstration projects. San Diego did achieve higher activity levels than did the other sites taken as a group (higher percentages of that site's referrals were interviewed and actually worked in workfare jobs). However, we must exercise caution in attributing these higher program activity levels exclusively to the shorter initial job-search period, since San Diego differed from the other sites in terms of several potentially important factors (e.g., its larger size, previous experience with workfare, and community characteristics).

Participant Characteristics

Food stamp work registrants--the target group for workfare--are a distinct subgroup of all food stamp recipients. In general, because of their employability, they tend to receive benefits for shorter periods than do most other recipient groups. The MIS data on the more than 28,000 workfare participants indicate that they were predominantly male (two-thirds) and predominantly white (70 percent), and that most (55 percent) had at least 12 years of schooling. Many had relatively short food stamp certification periods. Interview data indicate that 80 percent of the males and just over half of the females had been employed at some time in the year prior to their referral to workfare.

Workfare Job Sites

Sites reported little difficulty in identifying a sufficient number of adequate job sites, although most also reported that they contacted some prospective job sites that declined to participate. Most workfare jobs were in public-sector agencies, and the slots were concentrated in relatively low-skill occupations (such as lower-level clerical and janitorial/custodial services). Supervisors reported exercising little or no special supervision over their workfare workers. Workfare participants provided about 23,000 hours of public service each month during the course of the demonstration.

Observed Activity Levels

Workfare was administratively feasible in the demonstration sites. Overall, the 14 sites adhered to the planned workfare model and implemented the demonstration successfully. However, potential activity levels were

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reduced by a combination of the time it required to move participants between steps in the workfare process and the relatively short time period in which participants were active (2.7 months, including the initial job-search period). Overall, modest numbers reached three key outcomes: 20 percent worked at workfare job sites, 12 percent were excused for personal reasons, and 19 percent were sanctioned. (These figures are not additive because a person may have experienced more than one outcome.) A higher proportion were involved in intermediate steps. Just over 80 percent of all individuals who were referred to workfare were called in for an interview, and just over 40 percent were in fact interviewed.

In terms of all workfare activity assignments (including both interviews and work assignments and counting multiple assignments for individuals who had them), three-fourths were handled as called for by the basic program model--42 percent were completed, 20 percent were not completed for reasons deemed to constitute good cause, and 13 percent led to a sanction. The remaining 25 percent of assignments led to a formal determination of no good cause but no sanction (18 percent) or to a probable-cause determination but no final-cause determination (7 percent).

The available data suggest that sanctions were imposed in approximately two-thirds of the instances in which a sanction was called for, and that it was feasible to impose those sanctions. Sanctioning was a difficult area of operation because recipients often left the Food Stamp Program before the necessary administrative steps could be completed.

Participants' Views and Experience

In general, workfare participants who were interviewed for the study understood and agreed with the premise of workfare, although only a minority felt that workfare would help them find a job or that they had learned new skills. Specifically, most workfare participants agreed that at least some people should be required to work in return for their food stamp benefits. Two-thirds of all participants were aware of a penalty for noncompliance, and over 40 percent knew what the penalty was. However, only about one-third of the males and just under one-half of the females said that they thought workfare would help them obtain a job later. Just under 20 percent of the males and one-third of the females said that they thought they had learned new skills.

As we noted earlier, only about 20 percent of the workfare participants ever worked at job sites, and many of these, particularly males, had recent work experience. Moreover,

on average, those who worked at job sites worked only about 30 hours a month for 2.2 months, and, given their short, unpredictable participation, job sites tended to place them in low-skill jobs that required little training. Short periods of work in low-skill jobs only by a small fraction of referrals are likely to have upgraded specific job skills only to a very limited extent.

Summary and Assessment of Implementation

The available data suggest that the second set of workfare demonstrations were implemented successfully. For the most part, project-site staff performed the tasks called for by the workfare program design in a thorough and expeditious manner. In assessing the administration of the workfare model tested in the second set of Workfare Demonstrations, it is also important to understand that the evaluation component of the project probably affected the implementation in critical ways. In particular, all projects were monitored extensively by FNS and evaluator staff and reported key information about individuals' activities to the research contractor. Thus, the level of implementation achieved in the demonstration is not necessarily indicative of the level that would occur in an ongoing program.

FINDINGS FROM AN ANALYSIS OF THE IMPACTS OF WORKFARE ON PARTICIPANTS

Table 1 presents a summary of the average impacts of workfare on its participants in the first six months after their referral. The following highlight the primary findings of our impact analysis.

- The estimated total food stamp benefit savings at the 14 demonstration sites was approximately $2.0 million. This amounts to 25 percent of the benefits that would have been paid to workfare participants had they not been referred to workfare. The impact is due primarily to shorter periods of food stamp receipt. Approximately 20 percent of the benefit savings can be attributed to the imposition of sanctions.

- The results differ somewhat for males and females. For males, our estimates imply that, during the first six months after their referral to the program, their period of benefit receipt declined by an average of 3 weeks, and benefits per participant declined by an average of $85. The average gain in weeks employed in paid jobs was approximately half as large as the average reduction in the period of food stamp receipt. Estimates of the impact both on

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TABLE 1

SUMMARY OF THE AVERAGE IMPACTS OF WORKFARE
(First Six Months after Referral)

Outcome	Males	Females	Total
Period of Food Stamp Receipt	reduction of 3.1 weeks**	reduction of 5.2 weeks**	reduction of 3.9 weeks**
Food Stamp Amount	reduction of $14.24 per month**	reduction of $18.84 per month**	reduction of $15.71 per month**
Time Working in Paid Jobs	increase of 1.6 weeks*	increase of 2.3 weeks**	increase of 1.8 weeks**
Hours of Paid Work	increase of 8.2 hours per month	increase of 10.7 hours* per month	increase of 9.0 hours per month
Earnings in Paid Jobs	increase of $32.93 per month	increase of $50.35 per month*	increase of $38.50 per month

SOURCE: Summarized from Tables 5.3.A, 5.3.B, and 5.3.C.

*Statistically significant at the 90 percent level, two-tailed test.
**Statistically significant at the 95 percent level, two-tailed test.

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the average number of hours worked and on earnings were positive, but not statistically significant.

- Among females, reductions in the period of food stamp receipt were somewhat larger than for males. During the first six months after their referral, females received benefits for five weeks less than they would have in the absence of workfare, and received approximately $113 less in total benefits. As with males, increases in the number of months in which females were employed were smaller than the reduction in the number of months in which females received food stamps. In contrast to the males, impacts on the average hours of work and earnings of females were statistically significant (at the 90 percent confidence level), although, as we discuss below, this latter finding depends heavily on the San Diego site.

- Further analysis attempted to determine the reasons that workfare reduced food stamp receipt and increased employment. Did workfare alter participants' incentives to find paid work or otherwise to reduce their food stamp receipt, or did the work experience also enhance their ability to find and hold paid jobs? The analysis indicates that altered incentives, rather than improved employment skills, were the major reason for the impacts. Because relatively few participants (20 percent) actually worked in workfare jobs (and thus could potentially have benefited from the work experience), this finding is not surprising.

- The greater effect of workfare on food stamp receipt than on employment prompted a further exploration of the relationship between these two outcomes. The analysis indicated that for both males and females just over half of the months of reduced food stamp receipt were months in which the individual was unemployed. To place these figures into perspective, it is important to note that being off food stamps without a job was not unusual even before workfare. For example, the comparison group was not working in approximately one-third of the months in which they were off food stamps, a relationship that existed during both the prereferral and postreferral periods.

  Several factors may explain why some individuals stopped receiving food stamps even though they did not have a job. First, food stamp participants may have stopped receiving food stamps because of income

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from sources other than their own earnings, such as the income of other household members. Second, the workfare sanction process would have caused one-person households to stop receiving food stamps in the month in which the sanction was collected. Third, some individuals may have remained eligible

did not want to comply with the workfare requirements.

- A comparison of the wage rates of individuals who worked both before and after the month of their referral to workfare indicates that workfare had no impact on wage rates. Thus, there is no evidence that workfare generated an increase in wage rates, nor did workfare induce participants to accept lower-paying jobs.

Several supplementary analyses were conducted to determine whether the main results were sensitive to decisions about how the primary analyses should have been conducted. Four basic conclusions emerged. First, the experience of the comparison-group members appeared to provide a generally satisfactory benchmark against which the experience of the demonstration participants could be compared. For males, both trends over time and the average level of food stamp benefits were similar among demonstration and comparison samples prior to their referral to workfare, and diverged shortly after referral. Female demonstration sample members received higher average levels of benefits during the baseline period than did female comparison group members, but trends were similar over the baseline period and diverged sharply at the time of their referral to workfare. Second, the results did not change substantially when different statistical models were used to estimate the impacts. Third, it appears unlikely that the loss of some sample members due to survey nonresponse affected the broad conclusions of the analysis. And, fourth, the food stamp savings for San Diego (which served over 40 percent of the demonstration participants) are broadly similar to those for all of the other sites taken together. Moreover, the estimated impacts on employment are quite similar for males in San Diego and in the other sites. However, the employment estimates are large and positive for San Diego

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exact magnitude of the true effect could differ from those reported herein. Moreover, the fact that the positive employment impacts for females depend on one large site suggests that these findings should be interpreted cautiously.

INTERPRETATION OF THE FINDINGS

An important question to be considered in assessing the estimated average impacts of workfare is whether they appear to be plausible. In particular, is it reasonable to conclude that a workfare program could have reduced benefits and increased employment when only 20 percent of those who were referred actually worked, and when those who did work averaged only 30 hours per month?

Two factors may have combined to cause reductions in food stamp receipt and increases in employment among individuals who were referred to workfare. First, the program established clear, unambiguous work requirements and enforced them effectively. This was in marked contrast to the conventional food stamp work registration as it was generally operated at the time of the demonstration. Second, members of the target group were employable. (Eighty percent of the males and half of the females had worked in paid employment during the year prior to their referral.) Thus, it seems plausible that when faced with a requirement to work at the minimum wage in a workfare job a significant fraction of employable individuals would opt to leave the Food Stamp Program sooner than they would otherwise.

THE ADMINISTRATIVE COSTS OF WORKFARE

The average monthly operating costs ranged from over $62,000 in San Diego County to $1,000 in Lonoke County, Arkansas. Of course, the average number of cases active in the program each month exhibited a similar range of variation. San Diego had nearly 3,200 cases active per month, while Lonoke County and Montgomery County, Maryland, each had about 60 cases active per month.

Monthly costs per active case ranged from nearly $58 in Montgomery County to about $7.50 in Greenville County, South Carolina, and Tazewell County, Virginia. A clear inverse relationship existed between program size and monthly costs per active case: sites with smaller caseloads per month tended to experience higher costs per active case, and, conversely, larger sites (with one major exception, San Diego) experienced lower per-case costs.

Over all sites, direct service costs (the cost of staff time to perform workfare-related tasks for specific recipients) were $28 per participant, and indirect costs

(other costs not attributable to specific recipients) were $20--for a total cost of just over $48 per participant. Direct service costs ranged from approximately $13 per participant to nearly $40. Indirect service costs exhibited a much wider range of variation--from less than $1 per participant to nearly $150 per participant.

COMPARISON OF WORKFARE BENEFITS AND COSTS

The benefits and costs of government programs can be compared from several perspectives. Our discussion in the main report examines the social and government-budget perspectives: the social perspective focuses on whether the program provides a net pay-off to society as a whole; the government-budget perspective focuses on the outlay and revenue generated by administering government programs.

From the point of view of society as a whole, the costs are the value of resources used up by a program, and the benefits are the value of resources generated by the program. The primary social benefits of workfare are (1) the value of the increased postprogram output generated from having participated in workfare and (2) the value of output produced by participants specifically in their workfare jobs. The primary social costs of workfare are the costs of operating workfare and the costs borne directly by participants.

From the government-budget perspective, the primary benefits of workfare are (1) the reduced cost of food stamp allotments (because of fewer benefits), (2) increased tax payments (because of increased regular earnings), and (3) the reduced cost of administering the Food Stamp Program (because of shorter periods of food stamp receipt). The primary cost borne by the government is the cost of administering the workfare program.

Data on the average benefits and costs per participants are summarized in Table 2. The data indicate that workfare reduced food stamp allotments by $94 overall, increased tax payments by $23, and reduced Food Stamp Program administrative costs by $9--for a total benefit to the government budget of $126. Because administrative costs were $52, the estimated net benefit from the government's perspective was $74 per participant. The government's net benefit was slightly higher for females than for males ($99 versus $63).

The estimated program benefits also exceeded program costs from the social perspective, primarily because of the substantial estimated earnings gains over the first six months after referral. The estimated net social benefit (social benefits minus social costs) was $231 per

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TABLE 2

COMPARISON OF THE AVERAGE BENEFITS AND COSTS PER PARTICIPANT
(First Six Months after Referral)

Benefit/Cost Item	Males	Females	All[a]
Benefits to Government Budget			
1. Reduced costs of food stamp allotments	$85	$113	$94
2. Increased tax payments (10 percent of earnings impact)	$20	$30	$23
3. Reduced costs of administering the Food Stamp Program	$8	$13	$9
Costs to Government Budget			
1. Administrative and operating costs of workfare[b]	-$50	-$57	-$52
Net Taxpayer Benefits	$63	$99	$74
Social Benefits			
1. Value of post-work-registration output[c] (earnings plus fringe benefits)	$214	$326	$250
2. Value of workfare work[c]	$34	$49	$39
Social Costs			
1. Administrative and operating costs of workfare[b]	-$50	-$57	-$52
2. Costs to Participants[d]	-$6	-$5	-$6
Net Social Benefits	$192	$313	$231

NOTE: All figures are in 1981 dollars.

[a] Weighted average: males were weighted .68 and females .32.

[b] These cost estimates pertain to participants who were first referred in March and April 1981 and reflect costs incurred in providing services during the six months following their referral to workfare. Figures differ slightly from comparable figures for all participants in the demonstration.

[c] Includes an estimate of the value of fringe benefits. The fringe-benefit package contains only "mandatory" employer contributions for Social Security, Unemployment Insurance, and Workers' Compensation.

[d] Participant costs are based on interview respondents' estimates of the costs of work clothing, transportation, child care, etc.

participant overall ($313 for females and $192 for males). Thus, both the government and the social benefit-cost comparisons suggest that the Workfare Demonstration was cost-effective.

It is important to point out, however, that the standard errors around the net benefit estimates are quite large. For example, the 95 percent confidence interval for the estimate of the overall net benefits from the government-budget perspective is -$15 to $165. The analogous confidence interval for the estimate of the overall net benefits from the social perspective is -$181 to $681. Thus, while our best estimates indicate that, on average, the benefits of workfare exceeded its costs, the "true" net benefits could differ from our best estimates. Furthermore, replicating workfare in other settings and with other individuals, even under conditions identical to those present in the demonstration, could lead to net benefits that differ from our best estimates.

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1. INTRODUCTION

The Food Stamp Act of 1977 (P.L. 95-113) required the Department of Agriculture (USDA) and the Department of Labor (DOL) to conduct pilot projects in which food stamp recipients perform work in exchange for their benefits. In 1980, the Food Stamp Act Amendments (P.L. 96-249) extended the operational period of these projects. This report to Congress is submitted to fulfill the requirement for a final report on the pilot projects which operated as the Food Stamp Workfare Demonstration.

This report focuses on the results from fourteen demonstration sites that operated workfare during the period from December 1980 to December 1981. (These are the second of two sets of projects that have operated workfare demonstrations.) The report describes (1) the workfare concept and the design of the workfare administrative processes, (2) the research design, (3) the administration of the projects and the experience and characteristics of participants, (4) the effect of workfare on participants' food stamp benefits and employment, and (5) the benefits and costs of workfare. The report addresses four questions:

1. Was the Workfare Demonstration administratively feasible?

2. Did participants in the Workfare Demonstration leave the Food Stamp Program faster than similar food stamp recipients who were subject only to normal work-registration activities?

3. Were demonstration participants more likely to obtain jobs and increase their total earnings?

4. Was the Workfare Demonstration cost-effective?

1.1 THE WORKFARE CONCEPT

Under the design[1] legislated in the Food Stamp Act of 1977, workfare required certain food stamp recipients at designated demonstration sites to work at public service jobs in return for their food stamps. In

[1] Workfare-type requirements have also been incorporated into other welfare programs. The Omnibus Reconciliation Act of 1981 made workfare an option for state programs of Aid to Families with Dependent Children (AFDC), and a number of workfare-type projects have previously been operated under special arrangements with the federal AFDC program (e.g., operating under demonstration authority). Utah's Work Experience and

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general, recipients were subject to workfare if they were food stamp work registrants (i.e., were able-bodied adults between the ages of 18 and 60 who were not already working, caring for children or an incapacitated adult, or subject to the work or job-search requirements of another program). Work registrants were exempt from workfare if the household's earned income was greater than or equal to the household's food stamp allotment. Only one work registrant per household was subject to workfare, although the work obligation may have been shared by two work registrants if the household so desired.

Recipients were referred to workfare each time they were certified or recertified for food stamps. They became subject to workfare assignments 30 days after their initial work-registration date.[1] The 30-day exemption allowed recipients to engage in a period of uninterrupted job search before workfare was required. The number of hours to be worked was determined by dividing the value of the household's monthly food stamp allotment in excess of the household's earned income by the federal minimum wage. For example, if the value of the food stamps exceeded earned income by $33.50, the person who was eligible for assignment must have worked 10 hours per month ($33.50 ÷ $3.35).[2] Participants were not required to work more than a total of 40 hours per week at workfare and paid employment. If a person who was eligible for workfare

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Training Program (WEAT) for unassigned Work Incentive (WIN) Program registrants is the oldest of several currently operating, state-initiated programs for AFDC recipients. Other recent projects for AFDC recipients include the California Community Work Experience Program (CWEP) and the Massachusetts Work Experience Program (MASSWEP). In addition, a number of states operate workfare-type programs for their general assistance recipients. Findings from the food stamp workfare projects are not necessarily applicable to these other program designs nor to the redesigned Food Stamp Workfare Program authorized by the Food Stamp and Commodity Distribution Amendments of 1981.

[1] If a newly certified food stamp recipient had been a work registrant within the previous six months, the recipient was immediately eligible for a workfare interview and assignment. Persons with two or more workfare referrals because of back-to-back recertifications for food stamps were ineligible for more than one job-search period. During the second year of the Workfare Demonstration, San Diego County, California, tested a 10-day job-search period.

[2] The minimum wages for 1979, 1980, and 1981 were $2.90, $3.10, and $3.35, respectively. As the rate changed, the appropriate wage was used to determine the household's obligation.

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refused without good cause to comply with the workfare process, that person was sanctioned. For each month in which the household member was noncompliant, that person was disqualified from receiving food stamps as part of the food stamp household for one month.

Workfare assignments were to be made in public and nonprofit agencies. Workfare participants could not be used to displace the normal workforce but were to receive the same fringe benefits and work under the same conditions as similar nonworkfare employees. Workfare operated in addition to the work-registration activities undertaken by the Food Stamp Agency (FSA) and the Employment Service (ES). Workfare jobs were not to prevent participants from searching for regular unsubsidized jobs (e.g., participants were not to be penalized if the job-search activities directed by the Employment Service interfered with the completion of their workfare obligation).

As it was implemented under the demonstration, workfare was designed to help ensure that only those employable persons who were willing to work received benefits, that useful public services were provided during the benefit period, and that individuals gained some work experience. The overall goal was for employable persons to find jobs in the regular labor market, thereby reducing or eliminating their food stamp dependence.

1.2 HISTORY OF THE WORKFARE PROJECTS

The political jurisdictions which have sponsored workfare projects were selected from those that applied to the Department of Agriculture and the Department of Labor for demonstration authority. During the first year of the demonstration, workfare pilot projects operated in seven sites: San Diego County, California; Muskingum County, Ohio; Rusk County, Wisconsin; Clay County, South Dakota; Morristown, Tennessee; Sussex County, New Jersey; and Berkeley County, South Carolina.

Fourteen workfare sites, including two of the original sites, were selected to operate the projects during the second year of the demonstration. San Diego County, California, expanded from two welfare districts to a county-wide project; and Berkeley County, South Carolina, was also selected to continue. The new sites were Nashua, New Hampshire; Montgomery County, Maryland; Tazewell County, Virginia; Greenville County, South Carolina; Pinellas County (Clearwater and St. Petersburg), Florida; Evansville (with Vanderburgh County), Indiana; Grand Rapids, Michigan; Lonoke County, Arkansas; Sebastian/Crawford counties, Arkansas; Greene County, Missouri, Utah County (Provo), Utah; and Yuma, Arizona.

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The second-year projects were implemented between December 1980 and January 1981. All sites operated through September 1981, and several continued to operate on a demonstration basis through the end of 1981 and into early 1982. As of January 1986, San Diego, Lonoke, Berkeley, and Greenville counties (along with other new sites) operated workfare programs under ongoing authority legislated in 1981.

The Food Stamp Act Amendments of 1980 extended the projects primarily to expand the size and scope of the demonstration. The 1977 legislation required that one urban and one rural project be selected in each of the seven administrative regions of USDA's Food and Nutrition Service (FNS). However, despite extensive recruiting, only seven applicants, six of them rural, proved viable during the selection and implementation process conducted in 1979.

One reason for the lack of applicants to the first set of projects was the reluctance of local political jurisdictions to bear all the administrative costs of operating workfare projects. The 1980 legislation mitigated this problem by providing federal reimbursement to workfare sponsors for 50 percent of their operating costs.[1] The availability of funding, as well as other extensive recruiting efforts, did increase the number of applicants which sought to operate Workfare Demonstration projects, and the USDA and DOL were able to select a full complement of 14 sites, representing both urban and rural communities and all seven FNS administrative regions.

To ensure the smooth implementation of workfare at the new projects, USDA and DOL held two three-day training sessions for the staff at the local workfare operations, the staff at the local Food Stamp offices, and the workfare coordinators from the FNS Regional Offices. The sessions covered all aspects of workfare planning, operations, and evaluation. Federal staff then visited each site prior to full implementation to ensure that the basic operating procedures would be implemented by the staff who were trained to carry them out. Federal monitoring continued throughout the operation of the projects.

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[1] A second change in the 1980 legislation required the selection of at least one site to implement a 10-day job-search period before assignment, rather than the usual 30-day period. As noted, San Diego County tested a 10-day job-search period during the second year of project operations. During both periods of operation, sites received 100 percent reimbursement for activities required for the evaluation.

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1.3 SUBSEQUENT LEGISLATION

The Food Stamp and Commodity Distribution Amendments of 1981 (P.L. 97-98), enacted December 22, 1981, provided the option for any political subdivision in any state to establish a workfare program as a component of the Food Stamp Program. The 1981 legislation incorporated several changes to the workfare model, so that the current rules differ from those in force during the demonstrations. First, the sanction was changed to conform with rules pertaining to conventional Food Stamp Program work registrants, under which the entire food stamp household is disqualified, and the disqualification lasts for two months unless the recipient "cures" the sanction by fulfilling the work requirement. Second, the 30-day job-search period was made an optional component of the program. Third, earnings are not subtracted from the food stamp allotment when the workfare obligation is computed; the workfare obligation is simply the food stamp allotment divided by the minimum wage. Fourth, total hours of work are to be limited to 30 per week. Fifth, participants are to be reimbursed for their workfare-related expenses. It is important to bear in mind that the demonstration projects described in this report operated under the previous rules.

1.4 ORGANIZATION OF THE REPORT

The remainder of this report is presented as follows. Chapter 2 provides an overview of the demonstration, which includes a discussion of the target population, the workfare process, and the separate workfare organizational components. Chapter 3 presents background information for the process, impact, cost, and benefit-cost analyses by discussing the evaluation objectives, comparison-group methodology, the data sources for the analyses, and the strengths and limitations of the overall evaluation. Chapters 4 through 6 present the major analyses of the report. In Chapter 4, we discuss the administration of the Workfare Demonstration, covering the individual workfare program components (the referral and assignment interview, the job sites, and the sanction process), the workfare activity levels of participants, and their views toward and experience in the program. Chapter 5 presents the impact results. It begins by discussing hypotheses about the impacts of the program and delineating the analytical methods that provided the foundation for the evaluation. It then focuses on the estimated impacts of the program--specifically, the average impacts, the sensitivity of the results to alternative analytical assumptions, the time patterns of program outcomes, the reason for the program's apparent effectiveness, the effects of the program on wage rates, and the separate impact results for the San Diego County site. Finally, Chapter 6 presents the cost and benefit-cost analyses. The cost analysis focuses on the average monthly administrative costs of workfare and the

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costs of workfare per participant. The benefit-cost analysis focuses on two perspectives--the social perspective and the government-budget perspective. (A series of appendices provide technical narrative and tables to support the discussion in the text.)

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2. OVERVIEW OF THE WORKFARE DEMONSTRATION

The purpose of the Food Stamp Workfare Demonstration was to determine the administrative feasibility and cost, as well as the impact on food stamp receipt and employment, of requiring able-bodied food stamp recipients to work at public-service jobs in exchange for their food stamp benefits. The projects tested the workfare concept within the context of administering the conventional Food Stamp Program.

The purpose of this chapter is to describe the mechanics of the model operationalized under the demonstration. It begins with a brief section on the target population, and then provides an overview of the workfare processes. It concludes with a description of the responsibilities of the organizations involved in the local operation of the projects.

2.1 THE TARGET POPULATION

In the demonstration sites, one Food Stamp Program work registrant was referred to the local workfare project from each household whose monthly earned income was less than its food stamp allotment. At the time of the demonstration, the work-registration provisions of the Food Stamp Program required the Food Stamp Agency to refer to the State Employment Security Agency all able-bodied, employable adult members of food stamp households who were not subject to the following exemptions: (1) responsibility for the care of dependent children[1] or disabled adults, (2) a substantial commitment to the labor force (i.e., working 30 hours per week or earning an income equal to the minimum wage multiplied by 30 hours), and (3) a commitment to the work or training requirements of another program (e.g., AFDC or Unemployment Insurance).[2] This population of employable food stamp recipients constituted the target population of the Workfare Demonstration.

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[1] At the time of the demonstration, an individual was exempt if the household contained a child under 12 years of age or a child between 12 and 17 years of age, and if another member of the household was a work registrant. In November 1984, regulations that implemented the 1981 law limited the exemption to households with a child under age 6.

[2] Implicit within these definitions are the following exemptions: children under age 18 and adults 60 years of age and older; mentally and physically disabled persons; and students enrolled half-time in a recognized school, training program, or institute of higher education.

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2.2 OVERVIEW OF THE WORKFARE PROCESS

All 14 workfare projects entailed the same set of procedures and sequence of activities that encompassed the workfare process. Responsibilities for carrying out program activities rested with two key actors: Food Stamp Program eligibility workers and workfare-office personnel who scheduled and monitored the work assignments of participants. (Figure 2.1 provides a schematic illustration of the workfare process.)

The process began when a person applied for food stamps, at which time the eligibility worker determined whether the person was required to register for work. If the person was eligible for the work-registration component, he or she was also screened for workfare eligibility and, if eligible, was provided with information about the program and about his or her rights and responsibilities. The eligibility worker then sent the person's name and other relevant information to the workfare office. After a period of 30 days during which the participant could engage in uninterrupted job search, the workfare office staff called the participant in for an interview. As part of the interview, the person's eligibility for CETA was determined.[1] The individual's abilities and interests were then assessed to determine an appropriate job site and slot. After scheduling the person for a work assignment in that job site, the workfare office staff notified the job-site staff to inform them of the person's schedule and to request that they provide periodic reports on the person's work performance to the workfare office.

A person was considered to be noncompliant under any of three conditions: failing to keep an appointment for a workfare interview, failing to show up for the work assignment, or failing to complete the assignment. After the food stamp office received a notice of noncompliance, an eligibility worker then determined whether noncompliance was for a "good-cause" reason (e.g., illness, conflicts with other employment opportunities or interviews, transportation problems, or household emergencies). If good cause was the reason for noncompliance, the person was again referred to the jobs component for another placement or was exempted permanently from work-registration

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[1] As mandated by the Food Stamp Act of 1977, participants were to be placed, if possible, in a public-service job offered under CETA, in lieu of a workfare assignment. This policy had little or no effect on operations during the second round of projects, due both to cutbacks in CETA at the time of the demonstration and to different eligibility criteria for CETA and the Food Stamp Program.

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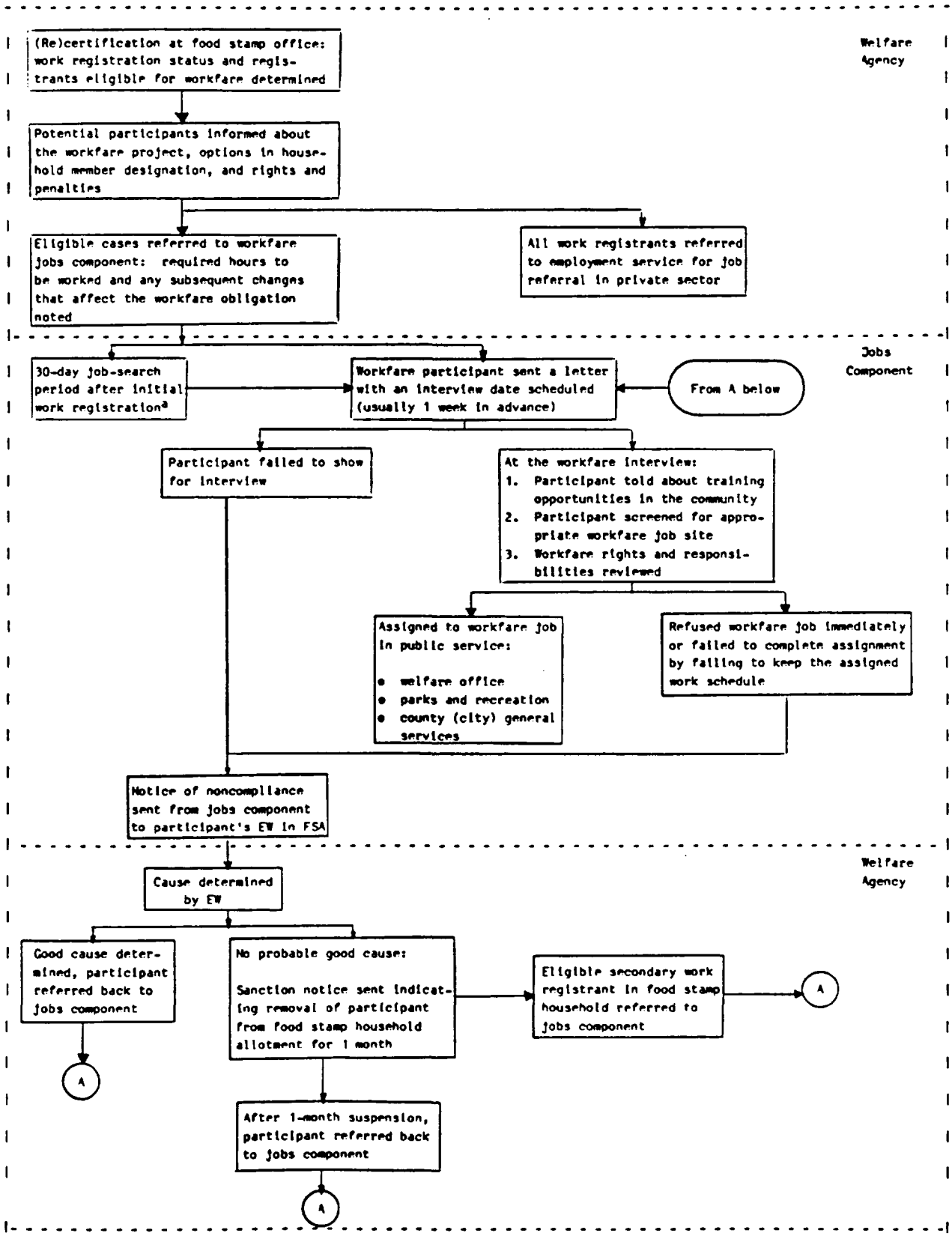
FIGURE 2.1

MODEL OF WORKFARE PROCESSES



requirements (if, for instance, the person had a permanent disability).

If no good cause was determined, the office mailed a notice of adverse action to the person, informing the person of the sanction and his or her right to appeal. A fair hearing was conducted upon appeal, which determined whether good cause existed for noncompliance. If no appeal was made, the appropriate sanctions were applied.

2.3 OVERVIEW OF ORGANIZATIONAL RESPONSIBILITIES

The second-year demonstration was administered nationally by the U.S. Department of Agriculture and the U.S. Department of Labor. The projects were administered at the local level through the cooperative responsibility of several agencies that fulfilled three major organizational roles:

- Workfare sponsor
- Jobs component
- Local Food Stamp Agency

2.3.1 Workfare Sponsor

The workfare sponsor was the political jurisdiction (county or city) that authorized the application to participate in the demonstration project and allocated funds to operate workfare. The workfare sponsor agreed to carry out the project with 50 percent funding from USDA and received full federal funding of the costs incurred to support the research contractor's evaluation effort.

The city or county that served as the workfare sponsor was the legal entity responsible for establishing an organizational structure to ensure that project operations were managed and controlled according to the agreements made with the USDA. Other responsibilities included coordinating the communications among the cooperating agencies. The workfare sponsor had the authority to delegate the daily management, administration, and operation of the program, but retained monitoring and oversight responsibilities for such activities. Most workfare sponsors delegated operating authority to an agency under their jurisdiction or with which they had entered into a formal agreement. The delegated agency was known as the "jobs component."

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2.3.2 Jobs Component

The jobs component was that part of the sponsor's organizational structure which was responsible for administering the workfare public-service-employment work assignments. The jobs component maintained the basic agreements among cooperating agencies and ensured their compliance with project regulations. In addition to the FSA, these cooperating agencies included the local State Employment Security Agency and the local sponsor or program agent of the Comprehensive Employment and Training Act (CETA). Operating responsibilities included receiving workfare participant referrals from the cooperating Food Stamp Agency, developing job sites, contacting potential workfare participants, interviewing and assigning workfare participants to job sites, scheduling/rescheduling individual work activities, receiving time and attendance information from job sites, resolving grievances, reporting participant noncompliance to the FSA, and reporting overall project activities on a monthly basis. The jobs component was also involved in collecting data, recordkeeping, and providing information for evaluation purposes.

2.3.3 Local Food Stamp Agency

The local FSA performed functions that were normally part of Food Stamp Program certification. In addition, during the certification process, the local agency was responsible for determining the eligibility of food stamp participants for workfare, and providing information to potential workfare participants about the nature of the project, options regarding the designation of a household member to participate in the workfare project, the penalty for noncompliance, rights and responsibilities, and the fair-hearing appeal process and grievance procedures. The FSA was also responsible for computing the hours of the workfare obligation for each participant.

Shortly after the participant's application to the Food Stamp Program (the goal was within two business days), the local FSA forwarded information to the jobs component on the required number of work hours for each workfare participant, the months of the Food Stamp Program certification period, and other information on the participant's household. The local FSA also informed the jobs component of changes in earned income or other circumstances that affected the workfare eligibility or the workfare hours requirement of participants.

Upon notification by the jobs component that a workfare participant had failed to comply with workfare requirements, the FSA determined whether "good cause" for noncompliance existed. If good cause was not established, a notice of adverse action was issued to the household, and action was taken to disqualify the noncompliant

participant. The FSA also referred fair-hearing requests to the state agency if the workfare household contested a disqualification.

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3. EVALUATION DESIGN

The Workfare Demonstration evaluation was designed to address the following issues:

3.1 OBJECTIVES OF THE EVALUATION

- The administrative feasibility of implementing the workfare program as designed
- The effectiveness of workfare at reducing the dependence of recipients on the Food Stamp Program, enhancing their employment opportunities, and increasing their earnings
- The costs of administering workfare as an on-going program
- The cost-effectiveness of workfare

Corresponding to these four major issues were four evaluation components. First, an analysis of program administration was conducted in order to (1) describe the implementation of workfare, (2) assess the extent to which the sites actually implemented or departed from the basic workfare program design, (3) identify the relationships between the workfare program and the Food Stamp Program work-registration/job-search program that was operating at the time of the demonstration, and (4) identify the operational problems that were encountered in administering the program. Such information is critical to interpreting the estimated impacts of the program on participants. The description of the operational experience of the program should also prove valuable to those who will work to refine the basic program model and/or implement similar programs at the local level in the future.

Second, an analysis of the impacts of the program on participants measured the extent to which workfare achieved its major objective: to reduce food stamp receipt and generate greater employment among the target population. Impacts were estimated for several outcome measures, including the percentage of time that participants received food stamps, their food stamp benefit amounts, the percentage of time that they worked in a regular job, the number of hours they worked, and their average monthly earnings. Also of interest is information on the program elements that were responsible for positive outcomes (if positive outcomes were indeed observed). In particular, to what extent did the desired outcomes occur because the work experience gained at the

job sites enhanced participants' employment skills, thereby making it easier for them to find paid jobs? To what extent did they occur simply because workfare created incentives for participants to find paid employment or risk a discontinuation of their food stamp benefits?

Third, the cost analysis measured the costs per participant of administering the Workfare Demonstration. Moreover, since average costs appeared to vary from site to site, an additional objective of the cost analysis was to identify the major determinants of the costs per participant.

Fourth, the benefit-cost analysis brought together the results of the impact analysis and the results of the cost analysis to assess whether workfare, as it was implemented during the demonstration, was a cost-effective use of public resources. The basic issue pertains to how the benefits (increased earnings, reduced welfare receipt, etc.) compare with the administrative costs. It is useful to examine the benefits and costs from two perspectives: the government budget and society as a whole. From the government budget perspective, the primary question is whether the reduction in food stamp benefits exceeded the administrative costs of the program; from the social perspective, the primary question is whether the increased goods and services generated because of the program exceeded the resources consumed in providing program services.

The following sections of this chapter describe the comparison group methodology and the data sources used in the evaluation. A concluding section briefly assesses the strengths and limitations of the evaluation. Additional details on the analytic issues associated with the specific impact and cost analyses are discussed in Chapters 5 and 6, respectively.

3.2 COMPARISON GROUP METHODOLOGY

A key feature of the evaluation design was a comparison group methodology in which the experience of individuals who were required to comply with the conventional food stamp work-registration rules was used as a benchmark for measuring the impacts of the workfare program on its participants. As a first step, the approach entailed selecting comparison sites; as a second step, it entailed selecting samples of individuals at the demonstration and comparison sites.

Comparison sites were chosen to match their respective demonstration sites as closely as possible in terms of factors that were expected to influence the future food stamp receipt and employment of food stamp recipients.

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The matching process took into account the characteristics of the localities (including labor-market conditions and the composition of the local economy), the characteristics of the population, and the composition and dynamics of the food stamp caseload.[1]

Table 3.1 lists the demonstration sites with their respective comparison sites, and displays data on the total population. Figure 3.1 shows the location of the demonstration sites. The careful matching was designed to ensure that the experience of work registrants in the comparison sites accurately reflected what would have happened to workfare participants had the demonstration not been implemented.

The selection of individuals for the analysis sample was keyed to the demonstration-site sample. All food stamp work registrants at the demonstration sites who were referred to workfare for the first time during the period from March to April 1981 were subject to selection into the sample.[2]

The sample was stratified according to the individual's level of program participation. The demonstration rules allowed all eligible work registrants to complete a period of job search, after which time, if they remained unemployed, they were to be assigned to a workfare job site. Thus, the participation status of work registrants could be classified as follows:

- Those who worked in a workfare job
- Those who were assigned to, but did not work in, a workfare job

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[1] See Appendix A for a detailed description of the comparison-site selection process.

[2] The sample is statistically representative only of participants who were first referred in March and April 1981; it is not strictly representative of all workfare participants. The March-April 1981 cohort was selected for the analysis because several months had elapsed after program startup, thereby allowing time for resolving the early operational problems; yet the demonstration would continue to operate for several more months, thereby minimizing the chance that the participation of sample members would be curtailed because the demonstration was terminated. The sample was restricted to individuals who were referred for the first time, so as to avoid giving long-term recipients or repeat recipients a higher probability of selection into the sample than was the case with the other recipients.

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TABLE 3.1

WORKFARE DEMONSTRATION AND COMPARISON SITES

Demonstration Site	Population (1980)	Comparison Site	Population (1980)
Yuma, AZ	90,554[a]	Bisbee, AZ	85,686[a]
Lonoke Co., AR	34,518	Arkansas Co., AR	24,175
Sebastian Co./ Crawford Co., AR	95,172 36,892	Washington Co./ Independence Co., AR	100,494/ 30,147
San Diego Co., CA	1,861,846	Orange Co., CA	1,932,709
Pinellas Co., FL	728,531	Broward Co., FL	1,018,200
Vanderburgh Co., IN	167,515	Delaware Co., IN	128,587
Montgomery Co., MD	579,053	Baltimore Co., MD	655,615
Grand Rapids, MI	444,506[a]	Saginaw, MI	228,059[a]
Greene Co., MO	185,302	Buchanan Co., MO	87,888
Nashua, NH	276,608[a]	Portsmouth & Salem, NH	190,345[a]
Berkeley Co., SC	94,727	Beaufort Co., SC	65,364
Greenville Co., SC	287,913	Spartanburg Co., SC	201,861
Utah Co., UT	218,106	Weber Co., UT	144,616
Tazewell Co., VA	50,511	Russell Co., VA	31,761

SOURCE: U.S. Bureau of the Census County and City Data Book, 1983.

[a] Population for the county.

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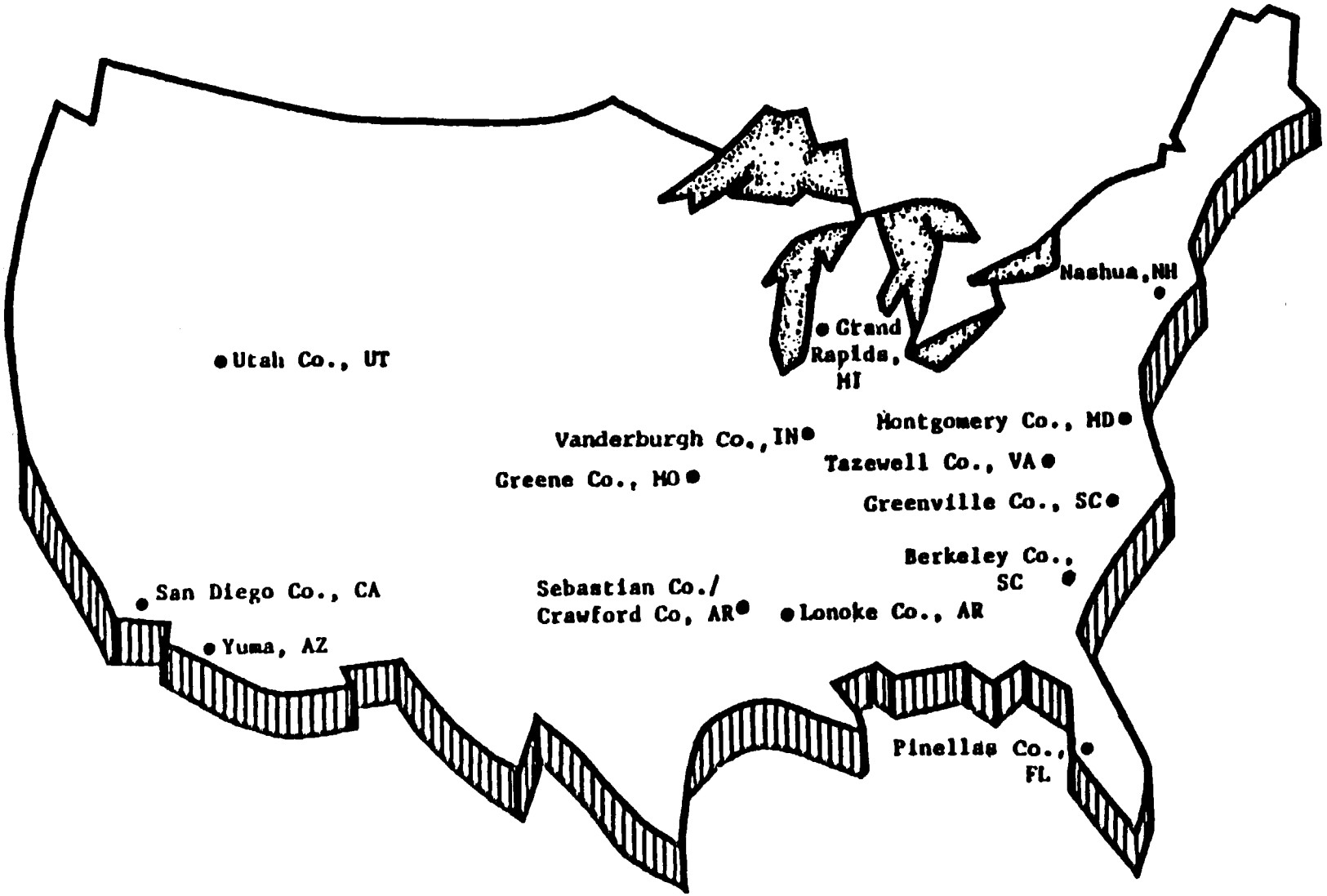
FIGURE 3.1

GEOGRAPHIC DISTRIBUTION OF FOOD STAMP
WORKFARE DEMONSTRATION SITES



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- Those who were not assigned to a workfare job, either because they found employment on their own or for other reasons

Each of the first two groups accounted for about 20 percent of all participants. However, information on the experience of those who participated more extensively was sufficiently important to warrant oversampling these first two groups. For example, the first group provides information on workfare jobs from the participants' perspective, including estimates of their work-related expenses. The second group provides information on why participants who appeared at a workfare interview did not follow through and work at the assigned job site. Consequently, a stratified sample of participants was selected in which persons who worked in a workfare job were sampled with certainty, persons who were assigned but did not work in a workfare job were sampled at about a two-thirds rate, and the remainder were sampled at a one-third rate.[1]

The comparison-site sample was selected by matching individuals from each comparison site who had been referred to food stamp work registration during early 1981 with the sample of demonstration-site participants. An important feature of the research design is that the comparison sample was selected from a group whose recent experience was similar in terms of one key dimension to the experience of workfare participants--namely, that these individuals had been referred to FSP work registration during the same time period. Comparison-site work registrants were also matched, within each of the three participation groups, in terms of several personal characteristics that were likely to be associated with employment and food stamp receipt:[2]

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[1] Sampling rates for each subgroup were lower in San Diego, Pinellas, and Tazewell counties. See Appendix Table A.2 for the number of participants in the sample frame and A.3 for the sample size by site and participation subgroup. It should be noted that the sample categorization was based on observations that were made about 2 to 3 months after workfare referral. Some of the individuals may have subsequently worked at a job site or may have been scheduled to work.

[2] The distribution of demonstration and comparison-group samples by selected demographic characteristics and a more detailed description of the sample design are provided in Appendix A.

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- Sex
- Length of food stamp certification period
- Household size
- Race
- Age

The initial sample contained 1,500 demonstration-site sample members and 1,000 comparison-site members.[1] A set of sample design weights was developed to represent the sample selection probability for each type of demonstration-site participant; these weights were also assigned to the corresponding matched comparison-site sample members. Thus, the weighted demonstration sample is representative of all individuals in the demonstration sites who were first referred to workfare in March and April 1981. The comparison sample was designed to be representative of this same demonstration-site population.

3.3 DATA SOURCES

The evaluation was based on several sources of data: on-site observations and discussions with project administrators, Food Stamp Agency records and workfare records maintained in the Workfare Management Information System (MIS), and personal interviews with a probability sample of workfare participants and their matched comparison-group counterparts.

3.3.1 Discussions with Project Staff

On-site observations and discussions with project staff were undertaken to obtain information to guide the process and cost analyses. The topics included:

- The factors that prompted the workfare sponsor to apply for the demonstration
- The pre-implementation and planning activities undertaken at the site
- Efforts at developing job sites
- A description of the initial operating model

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[1] The matched comparison sample was drawn at a two-thirds rate within each stratum.

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- The problems associated with the initial operating model and the changes that were made
- The interaction among the FSA, the jobs component, and SESA
- The conventional food stamp work-registration procedure
- The activities undertaken at the job site

This information was used to describe the features of workfare in each of the demonstration sites and to assess their role in the projects.

In addition, jobs-component and Food Stamp Agency staff were asked to provide estimates of the average time required to perform the various workfare-related tasks. This information was critical to the cost analysis.

3.3.2 Workfare MIS

The Workfare MIS contained data on both the workfare participation of every participant who was referred to workfare between December 1980 and December 1981 and their food stamp receipt while they were active in workfare.[1] Information was recorded by site staff on standardized forms, which were processed by the evaluation contractor. The MIS record for each individual contained the following information:

- The participant's name, address, and Social Security number
- Demographic information--sex, race, highest grade completed, date of birth, and the date on which the last job ended
- Information on the original and all subsequent referrals to workfare, including the food stamp case name, the dates of the certification period, the household size, the food stamp allotment, and the workfare obligation
- Any changes in food stamp case information, such as household size, certification periods, or workfare obligations

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[1] Food stamp receipt was not captured if an individual was no longer a workfare participant but continued to receive food stamps.

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- The dates of and reasons for terminations
- Month-by-month calendars of activities, including whether the participant was scheduled for and reported to the job-assignment interview, whether the participant was assigned to a work site, how many hours were assigned and completed, and any good-cause reasons for any failure to comply, as well as information on the dates of sanctions

The MIS data were used in several ways. First, monthly reports were generated to enable the demonstration sites to monitor their programs (e.g., to note and investigate a drop-off in the number of hours worked in a particular month). The monthly reports also enabled USDA and DOL project staff to monitor workfare activities in the demonstration sites. Second, the MIS data facilitated studying the overall program processes, including such issues as the number of participants who reached each case disposition, the number of work assignments made and completed, and the number of sanctions imposed. Activity counts from the MIS were also an important element in terms of estimating the costs of the program per participant. Finally, the MIS provided the sampling frame for selecting the sample of participants for the impact analysis.

3.3.3 Interview Data Sources

The analysis of the impacts of workfare is based primarily on information collected through in-person and telephone interviews with members of the demonstration- and comparison-site samples. The interviews covered a broad range of subjects, including job-by-job earnings and hours, job-search practices, welfare and food stamp receipt, household composition, education, personal characteristics, and attitudes toward workfare. For demonstration-site sample members, the interview also sought the clients' perceptions of the workfare project and their experience in workfare.

Interviews were conducted through a mixed-mode approach.[1] Telephone interviews were initially attempted with all sample members, and in-person interviews were then attempted with individuals who could not be reached by telephone. Two waves of interviews were conducted. Wave 1 interviews were fielded in the fall of 1981, and

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[1] Additional details on the interviewing methodology and the response rates are presented in Appendix A.

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Wave 2 interviews were attempted an average of three months later with Wave 1 respondents. Approximately 67 percent of the original sample completed the Wave 1 interview. Wave 2 interviews were conducted at 12 of the 14 demonstration sites (and corresponding comparison sites).[1] Approximately 46 percent of the original sample also completed the Wave 2 interview. Wave 1 interviews obtained information on the labor-market experience and food stamp receipt of participants for the period from January 1980 through the month of the interview. Wave 2 interviews covered the three-month period after the Wave 1 interview.

3.4 STRENGTHS AND LIMITATIONS OF THE EVALUATION

As we describe in Chapter 4, the Workfare Demonstration was generally well implemented in all 14 sites and conformed to the planned workfare model. Consequently, an evaluation of the impacts of the program provides estimates of the average effects across similar treatments. However, like other evaluations that have adopted a similar methodology, the evaluation of workfare is subject to some important limitations that should be clearly understood in order to interpret the findings appropriately.

A major issue is whether the workfare comparison group actually provides a suitable "standard of comparison" against which the behavior of the treatment group can be contrasted. For most evaluation purposes, a randomized design in which all program-eligible individuals are assigned randomly to either "experimental" (treatment) or "control" (no treatment) status yields the optimal groups for comparative purposes, because it helps ensure both that the two groups differ systematically only in terms of whether or not they received the program treatment and that differences in postprogram outcomes can be attributed to the treatment. However, in the Workfare Demonstration, one important objective of project planners was to test the administrative feasibility of workfare in a setting where services were offered to all eligible individuals. Thus, a true "control" group could not be created in the workfare sites. It is important to recognize that this basic design choice introduces an unquantifiable degree of uncertainty about whether and to what extent unmeasured differences between the samples, rather than the program

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[1] Two sites, Pinellas County and Grand Rapids, had discontinued operations by the time of the Wave 2 interviews, and interviews were not conducted in those sites.

intervention itself, are responsible for the observed differences that we attribute to workfare.

Despite this fundamental limitation, three factors support the conclusion that the workfare comparison group provides a credible benchmark for the evaluation.

1. Self-selection" bias is unlikely to pose a serious analytic constraint, since comparison group members were nonparticipants solely because they did not reside in an area with a specific workfare requirement. A common problem with evaluation designs based on nonrandom comparison groups is that members of the participant group have chosen to participate, while members of the comparison group have not. In this situation, motivational differences and program impacts are confounded, and comparing the experience of participants with the experience of nonparticipants may not yield an accurate measure of the effects of the program. An important feature of the workfare evaluation design is that both workfare participants and comparison group members had made similar choices and were facing similar circumstances at the time of their selection into the analysis sample, thus minimizing the likelihood of unmeasured motivational differences and their associated bias. In particular, the comparison group was selected from individuals who, like workfare participants, had recently become subject to the work registration requirements of the Food Stamp Program. Thus, members of both the participant and the comparison groups had recently made similar decisions about their labor force and food stamp participation, and neither group decided to participate (or not to participate) in the workfare program. Again, the comparison group members were nonparticipants solely because they did not reside in an area with a specific workfare requirement. While this criterion raises the possibility that differences associated with location could erroneously be attributed to workfare, it seems unlikely that unmeasured individual differences threaten the validity of the results.

2. The workfare comparison group provides a credible benchmark because the demonstration and comparison sites appear ex post to have been quite well-matched in terms of labor market trends, as measured by the local area employment

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Finally, when the results of a demonstration similar in nature to the Food Stamp Workfare Demonstration are applied in the policy process, it is very important that the context and circumstances in which the demonstration occurred be taken into account. Are the impacts of workfare that are observed during the demonstration likely also to occur within the context of the broader implementation of workfare? The restricted number of sites (all of which applied to participate), the special monitoring of site activities that was undertaken for evaluation purposes, and the short duration of the demonstration all mean that the impacts measured in the demonstration may not accurately reflect what would occur under a more broadly implemented workfare program.

It is also important to bear in mind that Food Stamp Program work requirements have changed since 1981. These changes in the existing program may alter the net impact of introducing a workfare requirement in the late 1980s relative to the net impact that occurred during the Workfare Demonstration in the early 1980s. Regulations promulgated in 1981 specified a job-search requirement that sites were permitted to impose upon food stamp participants. Regulations published in 1985 have required that states provide an employment and training program to food stamp work registrants, and have specified performance standards associated with the proportions who must be served. As the Food Stamp Program rules specify more stringent standards for employment and training programs, thus strengthening the conventional FSP work requirements, the net impacts and costs of requiring work registrants to perform work in exchange for their Food Stamp benefits may change. All of these factors mean that the findings from the food stamp workfare demonstrations must be applied carefully in the process of planning current programs.

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4. ADMINISTRATION OF WORKFARE

Fourteen sites around the country implemented workfare projects as part of the second set of Workfare Demonstrations. As described in Chapter 2, the basic workfare model represented a fairly complex administrative process and often necessitated a coordinated effort among staff in different agencies.

This chapter describes the findings on the implementation of the second set of Workfare Demonstrations, and is guided by three main objectives. First, it is important that we assess whether participants in fact received the services prescribed by the basic workfare model. In this light, the implementation analysis supports the impact analysis, because a thorough description of the workfare process is essential to understanding the demonstration treatment being tested and, hence, to interpreting the impact findings appropriately. Second, the extensive experience of the demonstration sites in terms of administering workfare may prove useful both in efforts to refine the workfare model and to localities that are currently implementing the optional workfare program. Thus, it is informative to highlight some of the administrative problems that were identified during the demonstration, as well as some of the innovative solutions that attempted to address those problems. Third, it is important that we describe the personal characteristics and program experience of workfare participants and their perceptions of the program, also in an effort to understand some of the administrative problems and interpret the impact findings. In summary, the chapter describes who participated and what their participation entailed.

The chapter consists of four major sections. It begins by providing an overview of the organizational arrangements, the number of clients served in each of the major program components, the characteristics of participants, and the existing Food Stamp Program work requirements which provided the context for workfare. The second section then examines in more detail the functioning of each program component--job search, interview and assignment, the work sites, and the sanctioning system. The third section describes participants' perceptions and experience in detail, and a concluding section provides a summary and assessment of the overall implementation process.

4.1 OVERVIEW

Each Workfare Demonstration site contained a sponsoring agency that was responsible for receiving the federal grant and for ensuring that the demonstration was implemented.

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4.1.1 Organizations

The jobs component and the local Food Stamp Agency were responsible for conducting program operations. Table 4.1 lists the agencies which served as the workfare sponsor, the jobs component, and the local Food Stamp Agency at each demonstration site. In all cases, workfare sponsoring agencies were units of city or county government, and, except in two sites, the jobs component was an agency of the same level of government. In these two sites (Pinellas County, Florida, and Sebastian/Crawford counties, Arkansas), the jobs component was the CETA prime sponsor that served the county, which in turn was the workfare sponsor. However, different agencies within the same governmental unit often served as either the sponsor or the jobs component. For example, in Utah County, Utah, the County Commissioners acted as the workfare sponsor, while the County Parks and Recreation Department served as the jobs component. Also noteworthy is the fact that the two operating components--the jobs component and the local FSA--operated within the same agency in 3 sites (Greenville, San Diego, and Montgomery counties) and in different agencies in the other 11 sites. The location of these functions within the same agency is potentially important because of the high level of coordination between the jobs component and the FSA that was required in order to follow up workfare participants who failed to comply with program requirements (see further discussion on this issue in Section 4.2).

4.1.2 Overview of Client Flow

As described in Chapter 2, the workfare program involved a sequence of services and components. The major steps in the workfare process were (1) referral (after a determination by the FSA that the individual was eligible for workfare), (2) an interview to identify barriers to participation and to determine a suitable workfare assignment, (3) assignment to a job site and completion of the assignment, and (4) follow-up of individuals who failed to meet their workfare obligations.

Table 4.2 shows cumulative client-flow data by site for the entire 13-month period of the demonstration. The data represent the number of individuals who experienced each activity, rather than the number of occurrences of each activity (since a given individual might have experienced each activity more than once). Over 28,000 individuals were referred to the program, of whom 23,500 (or 83 percent) were called in for an interview. Just over half of those who were called in (12,000) actually had an interview, and about 10,000 were assigned to a workfare site. Approximately 5,800 individuals actually worked in a workfare job, and 4,500 worked for the full number of assigned hours. On average during each month of the

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TABLE 4.1

AGENCY ROLES IN THE WORKFARE DEMONSTRATION SITES

Demonstration Site	Workfare Sponsor	Jobs Component	Local Food Stamp Agency
Lonoke County, AR	County Judge	County	County Social Services
Pinellas County, FL	County Department of Grants Development	Pinellas Co./ St. Petersburg Consortium (CETA Prime Sponsor)	Florida Food Stamp Office
Greenville County, SC	County	County Division of Administrative and Human Services	County Division of Administrative and Human Services
San Diego County, CA	County Board of Supervisors	County Department of Social Services	County Department of Social Services
Vanderburgh County, IN	City of Evansville, Grants Development Office	City Personnel Department, and Indiana Employment Security (Job Service)	Department of Public Welfare
Utah County, UT	County Commissioners	County Parks and Recreation Department	County Welfare Agency
Nashua, NH	City of Nashua	City Welfare Department	County Welfare Agency
Grand Rapids, MI	City of Grand Rapids, Human Resources Department	City Human Resources Department (CETA Prime Sponsor)	Kent County Department of Social Services
Greene County, MO	City of Springfield, Department of Human Services	City Department of Human Resources (CETA Prime Sponsor)	Missouri Food Stamp Office
Yuma, AZ	City Council of Yuma	City Department of Employee Services	Arizona Department of Economic Security
Berkeley County, SC	County Council	County Economic Development	County Department of Social Services
Tazewell County, VA	County Board of Supervisors	County Board of Supervisors	County Department of Social Services
Sebastian County/ Crawford County, AR	County Judges of Sebastian and Crawford counties	Western Arkansas Employment Development Agency[a] (CETA Prime Sponsor)	County Social Services Department
Montgomery County, MD	County Supervisors	County Welfare Department	County Welfare Department

[a] The Western Arkansas Employment Development Agency (WAEDA) served both Sebastian and Crawford counties.

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TABLE 4.2

CUMULATIVE FLOW DATA FOR WORKFARE
(December 1980 through December 1981)[a]

	Yuma	Lonoke	Sebastian/ Crawford	San Diego[b]	Pinellas	Vander- burgh	Mont- gomery	Grand Rapids	Greene	Nashua	Berkeley	Green- ville	Utah	Tazewell	Total
Referred	1,119	240	1,126	12,431	3,506	1,591	221	305	2,296	428	897	1,819	749	1,642	28,370
Called in for Interview	796 (.71)	185 (.77)	811 (.72)	10,903 (.88)	3,134 (.89)	1,322 (.83)	181 (.82)	246 (.80)	1,602 (.70)	231 (.54)	664 (.74)	1,514 (.83)	613 (.82)	1,335 (.81)	23,537 (.83)
Interviewed	329 (.29)	96 (.39)	337 (.30)	6,284 (.50)	802 (.23)	785 (.49)	74 (.33)	121 (.39)	1,001 (.44)	88 (.20)	398 (.44)	740 (.41)	190 (.25)	1,028 (.62)	12,273 (.43)
Assigned	264 (.24)	101 (.41)	323 (.29)	5,645 (.46)	651 (.19)	675 (.42)	49 (.22)	81 (.26)	967 (.42)	78 (.18)	268 (.30)	699 (.38)	200 (.27)	285 (.17)	10,286 (.36)
Worked in Work- fare Job	159 (.14)	72 (.29)	232 (.21)	2,838 (.23)	360 (.10)	463 (.29)	35 (.16)	53 (.17)	677 (.29)	47 (.11)	141 (.16)	414 (.23)	119 (.16)	142 (.09)	5,752 (.20)
Completed Work Assignment	118 (.10)	52 (.21)	174 (.15)	2,348 (.19)	269 (.08)	309 (.19)	23 (.10)	27 (.09)	526 (.23)	22 (.05)	119 (.13)	276 (.15)	81 (.11)	109 (.07)	4,453 (.16)
Subject to Sanction	540 (.48)	96 (.39)	288 (.25)	6,324 (.51)	1,523 (.43)	902 (.57)	73 (.32)	47 (.15)	749 (.33)	110 (.25)	207 (.23)	434 (.24)	232 (.31)	256 (.16)	11,781 (.42)
Sanctioned	91 (.08)	32 (.13)	153 (.13)	2,643 (.21)	660 (.19)	508 (.32)	42 (.19)	29 (.09)	253 (.11)	50 (.12)	205 (.23)	409 (.22)	87 (.12)	154 (.09)	5,316 (.19)
Good Cause Exemption for Personal Circum- stances	63 (.06)	25 (.10)	65 (.06)	1,908 (.15)	191 (.05)	202 (.13)	33 (.15)	3 (.01)	268 (.12)	6 (.01)	128 (.14)	145 (.08)	20 (.03)	243 (.15)	3,300 (.12)

[a] The main entries in this table are the number of participants who experienced each activity rather than the number of occurrences of each activity. For example, if a participant was assigned to a job site on two or more separate occasions, he or she is counted only once in this table. Figures in parentheses are proportions of referrals in each site who reached each status.

[b] The data source for these figures is the Workfare Management Information System (MIS). Information on 60 percent of the persons referred to workfare in San Diego was entered into the Workfare MIS. The data for San Diego are estiamtes obtained by dividing the number of San Diego participants in the MIS by .6.

demonstration, 960 individuals worked for 24 hours each. And those who ever worked worked for 2.2 months and completed a total of 51.6 hours of work. Thus, this activity contributed approximately 23,000 hours of public service to the local demonstration communities each month.

Table 4.2 indicates that relatively large numbers of potential participants in workfare jobs dropped out both between referral and the interview and between assignment and their actual work in a workfare job. Indeed, only about 1 of 5 individuals who were referred actually worked in a workfare job. As described in the next section, many reasons, both acceptable and unacceptable from the perspective of program objectives, explain the large number of clients who left the system before working. Nearly 12,000 (or over 40 percent) of all individuals who were referred were subject to sanction because they failed either to report for an interview or workfare assignment or to complete their workfare assignment, and about half of those, or one-fifth of all referrals, were actually sanctioned.

Table 4.2 also shows the number and percentages of clients who participated in each activity at each site. Several points should be noted. First, the overall size of the program differed widely among the sites. At one extreme, San Diego County enrolled nearly 1,000 clients per month. At the other extreme, Montgomery County, Maryland, and Lonoke County, Arkansas, enrolled less than 20 per month. San Diego was by far the largest site, accounting for 12,400 participants, or over 44 percent of the total. Seven other sites enrolled between 1,000 and 3,500 participants, and this middle group accounted for 13,000 participants, or 46 percent of the total. The remaining six sites, each of which enrolled less than 1,000 participants, together encompassed approximately 10 percent of all participants.

Second, the data indicate that, despite this disparity in the size of some of the programs, client flows were broadly similar across the 14 demonstration sites. With the exception of one small site (Nashua, New Hampshire), all sites called in at least 70 percent of referrals for an interview. Between 10 and 30 percent actually worked at an assignment (again with one exception), and the range of variation in terms of the percentage who were sanctioned was similar. Somewhat more variation is apparent in both the percentages who were interviewed (between 20 percent and 63 percent, with a mean of 43 percent) and the percentages who were subject to sanction (between 15 percent and 51 percent, with a mean of 42 percent). After briefly describing the characteristics of workfare

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participants, we provide a more detailed discussion on the components of the program, which will provide more insight into the client flow and the differences that existed across sites.

4.1.3 Characteristics of Participants

Table 4.3 presents the characteristics of workfare participants. Approximately two-thirds were male, the average age was just over 30 years, and nearly 60 percent had at least 12 years of schooling. The average food stamp allotment was just under $120. The average length of certification was three months, and three-fourths of all participants were certified for three months or less. The average household size consisted of 2 persons, and over half were one-person food stamp households. Over 70 percent were white, and nearly 20 percent were black.[1] Furthermore, interview data indicate that 80 percent of the males and just over half of the females were employed for some period of time during the year prior to workfare (see further in Chapter 5). The characteristics of male and female participants were very similar.

To provide further perspective, we compared selected characteristics of workfare participants with those of a nationally representative sample of food stamp recipients. Table 4.4 shows data on the food stamp benefit amount, household size, and length of certification period of all workfare participants and of a nationally representative quality control sample for August 1980. In terms of the food stamp benefit amount, workfare participants had higher percentages in both the low-amount and high-amount categories and received a higher overall average benefit amount than did the national QC sample. The average household size of workfare participants was considerably lower, and the incidence of one-person households was far higher. Finally, workfare participants had far shorter certification periods: while 75 percent of the workfare participants had certification periods that lasted 3 months or less, over 80 percent of all food stamp participants had certification periods that exceeded 3 months.

To summarize, substantial proportions of, although by no means all, individuals who were referred to workfare were relatively young, were relatively well-educated, and had

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[1] Of course, these program-wide averages conceal the considerable local variations that existed among the sites in terms of participants' characteristics. The average values of selected participant characteristics are shown by site in Appendix Table E.1.

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TABLE 4.3

CHARACTERISTICS OF WORKFARE PARTICIPANTS
(Percent and Average)

	Males	Females	Total
Age at Referral			
Under 20	8.3	16.1	10.8
20-29	48.9	40.2	46.1
30-39	24.8	15.8	21.9
40+	18.1	27.9	21.3
Average	30.5	31.7	30.9
Years of Education			
0-8 years	13.2	11.3	12.6
9-11	30.0	30.1	30.1
12+	56.8	58.5	57.3
Average	11.1	11.2	11.1
Race			
White	72.6	71.9	72.4
Black	18.2	19.8	18.7
Other	7.4	6.0	7.0
Unknown	1.8	2.3	1.9
Average Monthly Household Food Stamp Allotment			
$1-70	54.8	64.8	58.1
71-150	15.2	21.2	17.1
151-230	12.3	7.9	10.9
231-310	13.5	4.8	10.8
311+	4.1	1.4	3.2
Average	$126.70	$98.00	$117.50
Number of Persons in Household			
1	53.0	58.9	54.9
2	12.5	22.0	15.5
3	11.3	7.8	10.1
4	11.1	5.1	9.1
5	6.3	3.1	5.3
6+	5.8	3.2	5.0
Average	2.3	1.9	2.1

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TABLE 4.3 (continued)

	Males	Females	Total
Length of Food Stamp Certification			
1 Month	18.2	14.4	17.0
2 Months	27.4	23.8	26.2
3 Months	31.0	33.0	31.6
4 Months	7.4	6.7	7.2
5 Months	2.9	2.0	2.6
Over 6 Months	13.2	20.0	15.4
Average	3.1	3.5	3.2
Gross Earned Income			
$0	93.2	95.0	93.8
1-100	3.5	3.3	3.4
101-200	1.6	1.1	1.4
201+	1.7	0.6	1.4
Mean	$12.90	$5.30	$10.40

NOTE: Figures are based on data from the Workfare MIS. All figures are measured as of the month of first referral to workfare.

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TABLE 4.4

COMPARISON OF WORKFARE DEMONSTRATION PARTICIPANTS AND ALL FOOD STAMP PROGRAM PARTICIPANTS

	Participants in the Workfare Demonstration[a] 12/80 - 12/81	Nationally Representative Quality Control Sample[b] August 1980
Food Stamp Allotment		
Low[c]	58.1%	46.3%
Medium[c]	17.1%	31.2%
High[c]	24.8%	22.5%
Mean	$118	$103
Household Size		
1 Person	54.9%	32.5%
2 Persons	15.5%	22.4%
3 Persons	10.1%	18.2%
More Than 3	19.4%	26.9%
Mean	2.1	2.7
Length of Certification		
1 Month	17.0%	2.4%
2 Months	26.2%	3.4%
3 Months	31.6%	10.4%
More Than 3	25.2%	83.7%
Mean	3.2	7.8

[a] Source is Workfare MIS.

[b] Source is "Characteristics of Food Stamp Households: August 1980," Preliminary Report, Tables 2, 11, 23, 28. In some cases, percentages given in the source document have been recomputed to exclude the small number of cases for which information is missing.

[c] Low is defined as $1-$70 for workfare participants and $1-$75 for the QC sample. Medium is $71-$150 for workfare participants and $76-$150 for the QC sample. High is $151 or greater for both groups.

recently been employed. Furthermore, Food Stamp Agency staff believed that, as evidenced by the short certification periods that they assigned, the circumstances of many workfare households were subject to change, and that the need for food stamp assistance was a potentially short-term phenomenon.

4.1.4 Workfare and the Conventional Food Stamp Program Requirements

The Workfare Demonstration was implemented in the context of the conventional Food Stamp Program work-registration requirements in effect during 1981. Observing the conventional program was important for two reasons. First, because the goals of work registration and job search were similar to those of workfare, it was important to ascertain whether differences between the existing programs of demonstration and comparison sites, rather than the workfare treatment itself, may have been responsible for the observed impacts. Second, the legislative history of workfare made it clear that the job-search requirements of conventional work registration took precedence over workfare. It was important that the evaluation assess whether workfare interfered with the job search program and to make recommendations about the relationships between workfare and conventional job-search. Below, we describe the conventional job-search program and examine the activity levels in the demonstration and comparision sites.[1]

The Department of Labor, through the network of State Employment Security Agencies (SESAs), was responsible for implementing the job-search requirements that were designed to follow work registration in the Food Stamp Program. The services to work registrants were to include employment counseling and testing, referral to training, referral to potential employers, and the monitoring of any job search required.[2]

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[1] A more detailed discussion of the activities undertaken pursuant to conventional Food Stamp Program work requirements is contained in Appendix B.

[2] The 1977 Food Stamp Act implied that recipients were responsible for searching for work on their own. However, at the time of the demonstration, SESA services emphasized referrals to known job openings and did not typically require recipients to search for work on their own. Job search became a more prominent component of SESA services after the publication of new regulations in January 1981 and their subsequent implementation in late 1981.

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Work registrants were required to appear at SESA offices when they were called in (by mail, in virtually every case) for a job-screening interview, to appear for an interview at a potential employer's place of business if a referral was made, and to accept employment if offered a job. Food Stamp Program work-registration regulations stipulated a sanction for noncompliance. The sanction for failing without good cause to comply with work registration is stated as follows in the Food Stamp Program regulations:

> The entire household shall not be eligible to participate until either the member complies with the requirements . . . or the (noncompliant) member becomes exempt, or for 2 months, whichever is earlier.

Thus, the sanction under the conventional Food Stamp Program was to make the entire household ineligible for up to 2 months; moreover, the two-month sanction period was invoked even if the case was otherwise ineligible for Food Stamps.[1]

As part of the evaluation, the activities undertaken pursuant to conventional Food Stamp Program work requirements were examined at both the demonstration and comparison sites.

Information on work-registration activities was obtained for a random sample of 606 work registrants from all demonstration sites and a similar sample of 537 work registrants from comparison sites. The data indicate the following levels of activity:[2]

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[1] Recall that the workfare sanction was the removal of a person's actual food stamp eligibility for one month. The workfare sanction remained pending even if the person became ineligible for food stamps immediately after committing the sanctionable offense; the sanction was to be imposed the next time the person applied for food stamps. Thus, although the workfare sanction is more lenient because it simply removes the offending person from the case rather than eliminating the household's benefits entirely, it is more stringent in terms of ensuring that the case will eventually be subject to sanction even if the household is ineligible for other reasons immediately after the imposition of the sanction.

[2] The data summarized here are presented in detail in Appendix Figures B.1 through B.5.

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- Employment service staff conducted interviews with 40 percent of the demonstration-site sample and 46 percent of the comparison-site sample.

- Eighteen percent of the demonstration-site sample were referred to jobs, and 22 percent of the comparison-site sample were referred.

- In both the demonstration-site and comparison-site samples an additional 3 percent were referred to other work activities.

- Six percent of the demonstration-site sample were placed in jobs, and 8 percent of the comparison-site sample were placed in jobs.

- Less then one percent of both the demonstration and comparison-site samples were sanctioned for noncompliance.

The preceding data indicate that a significant number of work registrants were contacted by the SESAs, were interviewed, and were referred to jobs. However, the work registration program did not provide a high level of employment services, nor did it require a substantial time commitment from work registrants. Furthermore, relatively low percentages were placed into jobs, and almost no one was sanctioned for noncompliance.

Several factors influenced activity levels and placement rates in the conventional work registration program. For example, high unemployment in many areas made it difficult to match the employment needs of job seekers--even those individuals who exhibited skills and work experience that matched the openings listed with the SESA. In addition, the organization of the work-registration program itself was a contributing factor to these low levels and rates. SESA staff tended to perceive that food stamp work registrants were less employable than their other clients, and, since many perceived that their primary function was to match workers with available jobs, the SESAs tended to assign Food Stamp Program work registrants a low priority for assistance and placement.

From the perspective of the FSAs, the work-registration procedures--identifying work registrants, referring them to the local SESA office, notifying the SESAs of changes in household circumstances, and applying sanctions for noncompliance--placed additional demands on eligibility workers, whose primary responsibility was to serve the needs of the population eligible for medical assistance,

financial aid, food stamps, and referral to appropriate social services. Many FSA staff believed that, even had they followed the work-registration procedures, the SESAs did not follow through by providing their services to food stamp recipients, and thus that the work-registration procedures at most sites were largely ineffectual.

The quality and completeness of the information on recipients that FSAs supplied to the SESAs provide an example of the coordination problems that existed. In several sites, SESA staff reported that the work-registration forms that were received from the FSA were missing substantial amounts of information. Most SESA offices called in work registrants only if a specific job opening was available to which the individual might be referred, and/or if the individual had job skills that were in high demand by employers (i.e., had a high potential for placement). Under these circumstances, a partially completed work-registration form might have disqualified work registrants for placements. In fact, the random sample of work registrants in the demonstration and comparison sites showed that 18 percent of the former and 13 percent of the latter were missing or had incomplete records at the SESA office.

Workfare staff appeared to reach a general consensus that the workfare obligation seldom involved so many hours that it interfered with job-search efforts by participants. For example, the MIS data indicate that the average obligation was just over 4 days per month (32.5 hours). Moreover, every site provided flexibility in the workfare job schedule, allowing participants to reschedule workfare work hours around job-search activities.

In summary, the available evidence indicates that (1) workfare did not interfere substantially with the conventional Food Stamp Program work requirements and (2) any observed impacts on workfare participants can be attributed to the workfare intervention, rather than to the conventional Food Stamp Program work-registration activities. Indeed, we shall argue in Chapter 5 that workfare effectively achieved its goals primarily because it established clear, unambiguous work requirements that were lacking under the conventional work-registration program, and because it enforced these requirements efficiently.

4.2 PROGRAM COMPONENTS

This section examines in some detail the operational features of the four major elements of the workfare program--initial job search, assignment and referral, work sites, and follow-up for noncompliance. A following

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section discusses observed activity levels and the factors that affected these activity levels.

4.2.1 Initial Job-Search Period

The basic workfare model tested in the demonstration granted participants a period of 30 days just after their first referral, during which they were subject only to the conventional Food Stamp Program work requirements and could search for a job without facing a workfare obligation. As indicated in the previous section, many workfare staff felt that the 30-day search period was unnecessary and ineffective, in part because of the perceived ineffectiveness of the conventional Food Stamp Program work requirements. They also observed, as had staff in the first set of demonstrations, that the length of the initial job-search period might have allowed short-term recipients of food stamps to avoid completing a workfare assignment.

This situation might have occurred in the following way. Households that applied for food stamps near the middle of the month could receive benefits for the entire month.[1] And, with the 30-day job-search period, they were not required to accept a workfare job assignment until the middle of the following month (the second month of the certification period). Even with no delay in the interview and assignment steps, it was often impossible to coordinate a schedule between the job sites and participants for the remaining days of the second month of the certification period. Consequently, because the assignment was then made for the following month (i.e., the third month of food stamp receipt), the recipient could receive three full months of benefits before reporting for a workfare assignment. Sanctions could not be imposed until at least the fourth month (and possibly later due to notice requirements). Thus, individuals who received food stamps for just three months could have avoided performing their workfare assignment.

This problem appears to have arisen frequently. The relatively short certification periods of most workfare participants (75 percent of 3 months or less) reflects the judgment of FSA staff that these individuals were likely to experience changes in household circumstance and might need assistance only for a short time. Thus, it is plausible that many left the program quickly. Even when the recipient had successive short certification periods, the

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[1] Current legislation requires that food stamp benefits in the first month of the certification period be prorated from the day of application to the end of the month.

time required to communicate recertification information from the FSA to the jobs component could introduce additional delays.[1] This interaction among the length of the job-search period, the short-term stay of many workfare participants in the Food Stamp Program, and the successive short certification periods may explain in part why 40 percent of the individuals who were referred to workfare were called in but failed to report for a workfare assignment interview (see earlier Table 4.2).

Because similar concerns had arisen in the first set of workfare projects, the legislation that authorized the second set of projects stipulated that one site be authorized to implement a 10-day initial job-search period. San Diego was chosen to implement the 10-day job-search period, and the other 13 second-year sites were designated for the 30-day period. The experience of San Diego County provides some limited evidence that reducing the allowable job-search period increases the number who participate in workfare activities. As shown by the data in Table 4.2, the San Diego site interviewed 50 percent of all those who were referred (compared with 38 percent in all other sites), assigned 45 percent to a job site (compared with 29 percent in all other sites), and prompted 23 percent to work some hours at a workfare job (compared with 19 percent at the other sites).

However, these differences must be interpreted cautiously because many factors besides the length of the initial job-search period (including the size of the project, its previous experience with workfare, and other programmatic differences, described below) distinguished San Diego from the other sites and could contribute to the observed differences in the levels of workfare activity. Nevertheless, San Diego's experience does support the view that shorter job-search periods increase workfare activity levels.

4.2.2 Referral and Assignment Interview

As described in Chapter 2.2, most participants were interviewed by jobs component staff prior to their workfare assignment. During the course of the demonstration, several of the sites incorporated some innovative features into the interview process. In Nashua, New Hampshire, an employment development plan was made a component of the workfare interview process for each participant. The jobs-

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[1] When the certification period ended, jobs component staff could not assign the individual to workfare program activities until they had been notified that the case had been recertified.

component staff routinely reviewed "help wanted" ads in order to identify unsubsidized employment opportunities to which participants could be referred.

In San Diego, group interviews were used in one district office for a period during the demonstration. It was anticipated that the group dynamics would help encourage workfare participation, and that those involved would be able to exchange job-related information. In addition, the group interview was expected to promote greater efficiency in the time devoted by staff to handling the large numbers of participants served in San Diego. That is, the group interviews were expected to increase the number of participants who could be interviewed by a given staff.

San Diego also changed the timing of its interview and assignment procedures during the course of the demonstration. In the beginning of its project, the site attempted to interview potential participants at the time of their application for food stamps. Job assignments were often made immediately and were scheduled to begin at the end of the job-search period. Many of the participants accepted the assignments while in the food stamp office, but a high percentage of these participants failed to appear for the assigned job. San Diego subsequently changed its procedure to a delayed call-in for an interview, followed by assignment, in the belief that it was more efficient to determine which participants would comply with the interview requirement and, thus, to increase the chances that the participant would comply with the job site assignment.

4.2.3 Workfare Job Sites

The Workfare Demonstration projects were designed to provide work experience for nonexempt food stamp recipients and to provide public service for the community. Achieving these objectives required a variety of job slots--including a mix of occupations and skill levels--at multiple locations within the demonstration service area. Furthermore, it was necessary that workfare participants be supervised at each job site, and that a communication process be established to enable the jobs component to monitor the compliance of each participant assigned to a job site. In this section, we first examine the issues that arose in developing the job sites, and then discuss the types of jobs assigned and the methods for providing supervision in those jobs.

Job-Site Development. The jobs component staff at the 14 demonstration sites applied numerous and diverse criteria to identify suitable job sites. The following list indicates the types of criteria that were applied, although

the sites differed in terms of the emphasis they gave to each factor:

- Proximity to workfare participants or accessibility by public transportation
- The availability of supervision
- The potential for skills development and training
- The potential for transition into regular employment
- The suitability of work for various types of "special" workfare participants (e.g., middle-age women with no previous work experience)
- The compatibility between a job site's needs and the irregular availability of workfare participants
- The availability of an adequate number of work hours per month
- The availability of fringe benefits for participants, such as Workers' Compensation
- Skill requirements that were compatible with the skill levels of workfare participants

In general, the staff who were in charge of developing job sites reported that potential job sites welcomed the opportunity to assign workfare participants. In many cases, the availability of workfare participants enabled job sites to accomplish work that because of limited budgets would have been delayed otherwise or not been completed at all.

Although all sites were able to identify sufficient workfare assignments, most also reported that they had contacted some prospective job sites that ultimately declined to participate. The following reasons were cited for not participating:

- The short-term nature of the demonstration
- An anticipated lack of skills by workfare participants

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- The possibility of conflict with labor unions over the use of "unpaid" part-time workers (i.e., workfare participants) who might displace paid workers

- The inability of the job site to use persons who worked an irregular number of hours on a part-time and/or short-term basis

Two issues associated with job-site selection and assignment emerged as the demonstration was implemented--the participation of organized labor and Workers' Compensation coverage. Organized labor participated in job-site development or in the overall planning of the demonstration only in a very limited way. In most of the demonstration sites, public employees were not organized, and many of the demonstrations took place in right-to-work states. Although labor unions typically had little influence, the workfare sponsor did involve representatives of organized labor in a few sites. Typically, the public employee union or representatives of other affected unions (e.g., the local labor council) reviewed the job slots (type of work and job title) to which the workfare participants could be assigned. At one demonstration site, after a review by the local labor council, the job titles were altered for several proposed job slots which involved painting and/or carpentry. The original job titles were similar to the job titles of several unionized positions, and were changed in order to avoid the implication that workfare participants would be assigned to the unionized positions, thereby displacing union members. At another site, the workfare sponsor provided to the County Employees' Association a list of all job sites, jobs performed, and the number of participants assigned.

One of the demonstration sites that was located in a right-to-work state involved labor representation in its review process. In this particular case, the workfare sponsor was the CETA prime sponsor, whose board of directors comprised a broad spectrum of business and labor representatives. The workfare job descriptions were reviewed by the labor representatives prior to the inclusion of the jobs in the demonstration.

At one workfare site, a union strike added a substantial number of work registrants to the Food Stamp Program. Because staff resources at the site were not adequate to handle a much larger workfare program, lower priority was given to placing these job-attached individuals into workfare assignments. Plans for a special project for this

population were begun, but the strike ended before any union members were assigned to workfare jobs.

Workers' Compensation coverage for workfare participants was a major concern because of the possibility that workfare participants could be injured in the course of performing their assignment. Coverage was usually provided either by the workfare sponsor or by the job site. However, one demonstration site (Lonoke County, Arkansas) had been unable to arrange coverage for workfare participants as late as August 1981. In this case, the State Public Employees System classified the workfare participants as casual laborers, who thus were not entitled to benefits provided by the job site or the workfare sponsor. Each participant was asked to sign a Participant's Work Information Sheet, which informed them that they were classified as casual laborers and did not qualify for Workers' Compensation, health insurance, Social Security, or other fringe benefits provided by the job site or workfare sponsor to regular employees.[1] A second site in the same state, facing a similar problem, did not provide Workers' Compensation at the outset of the demonstration. Participants were asked to sign a form acknowledging that they understood they would not be covered by Workers' Compensation. By April 1981, however, the workfare sponsor was able to obtain an accident insurance policy to cover workfare participants.

Types of Jobs. The entire Workfare Demonstration developed a total of 810 job sites. Most workfare jobs were in public-sector agencies, such as public schools, city or county maintenance departments, hospitals, libraries, and parks. However, some jobs were provided by private, nonprofit organizations, such as the YMCA, Boys Clubs, day-care centers, and senior citizen centers. For example, Greenville County, South Carolina, developed jobs at Goodwill, the Red Cross, United Ministry, and the YWCA.

Many occupations were represented among the job slots developed during the demonstration. Table 4.5 displays data for each occupational category in which at least 1,000 participant hours were worked at the 14 demonstration sites during the period from December 1980 to December 1981.

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[1] Beyond providing information to participants, the legal standing of the signed Information Sheet is unclear. While participants could be sanctioned for failing to report to a job site, failing to sign the Information Sheet would not prompt a sanction.

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TABLE 4.5

MAJOR OCCUPATIONAL CATEGORIES FOR WORKFARE JOB ASSIGNMENTS

Occupation	Months Assigned		Hours		
	No. Worked	% of No. Assigned	No. Worked	% of No. Assigned	% of Total Workfare Hours
Education	89	43	1,494	34	0.5
Misc. Professional, Tech., and Mgrl.	141	52	2,593	45	0.9
Stenography, Typing, and Filing	1,393	55	30,523	49	10.7
Material and Prodn. Recording	278	62	7,375	47	2.6
Info. and Message Distribution	187	56	4,679	53	1.6
Misc. Clerical	568	58	11,518	53	4.0
Food and Beverage Prep./Service	328	65	8,847	60	3.1
Lodging and Related Service	193	56	4,679	38	1.6
Misc. Personal Service	713	59	17,615	53	6.2
Building and Related Service	1,908	56	47,889	46	16.8
Farming	1,814	39	36,121	33	12.7
Excavating, Grading, Paving, Etc.	62	33	1,844	31	0.6
Structural Work n.o.c.	2,021	58	56,618	48	20.0
Transportation n.o.c.	166	69	4,421	54	1.6
Packaging and Matl. Handling	49	56	1,000	35	0.4
Amusmt., Recr., and Motion Picture	35	88	1,035	72	0.4
TOTAL for All Occupations	11,790	52	284,567	44	100.0

These 16 occupational categories accounted for almost 84 percent of the participant work hours.[1] Four categories--stenography, typing, and filing; building and related services; farming; and structural work (not elsewhere classified)--accounted for slightly over 60 percent of the hours worked by participants.

Conversely, occupations that required greater skills (e.g., education and miscellaneous professional, technical, and managerial positions) accounted for less than 2 percent of the total number of participant work-hours. Thus, the workfare slots were concentrated in relatively low-skill occupations, such as lower-level clerical (stenography, typing, and filing) and janitorial/custodial (building and related) services.[2] These data suggest that the work performed by participants provided limited opportunity to develop specific trade-related skills, although their experience may have enhanced work habits and introduced or reintroduced participants to the world of work.

Interviews with job-site supervisors provide insights into the reasons that most workfare jobs were low-skilled.[3] In general, those assigned to a workfare job worked only a few hours a month, and only for a few months. Rapid turnover and noncompliance created uncertainty about whether particular participants would appear at the job site. Moreover, many persons had limited work skills. Thus,

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[1] A total of 41 occupational categories were used to classify the work performed by participants. The largest of the remaining 25 was the unknown category, accounting for almost 14 percent of participant hours. Thus, if the hours in the unknown category were eliminated, the 16 largest accounted for 97 percent of the remaining hours.

[2] From the available data, it is impossible to infer the typical skill levels of the farming and structural-work (not elsewhere classified) work sites.

[3] A small nonrandom sample of job-site supervisors were interviewed who at the time of the interview or in the recent past had supervised workfare participants. The job sites in each demonstration location that had the largest number of work-hours assigned were selected for more detailed observations. The questions dealt with a variety of topics, including the nature of the workfare-related training (if any) received by supervisors, the job training provided to workfare participants, the physical requirements of the work, the potential for transition into regular employment at the job site, and the approximate wage that would have been paid in order to hire employees to do the work performed by workfare participants.

supervisors devised work that, one, could easily be undertaken for a short period of time and, two, was not vital to the operation of the agency. However, important exceptions did occur; jobs were developed for persons with special skills, and some agencies made long-term, dependable participants a more integral part of their workforce.

Job-site supervisors also provided information on their supervisory activities and the potential for workers' transition into regular jobs. In most cases, line supervisors supervised workfare participants during the course of their normal work activities. That is, workfare participants worked alongside regular employees and received the same supervision. Beyond their filling out timesheets and sending them to the jobs component, workfare participants required little or no special supervision.

Exceptions to this situation were noted at some job sites. At a work-activity center for mentally disabled adults at one site, the amount of supervision depended on the demonstrated capability of a participant. Participants who showed a sense of responsibility received little supervision, whereas those who did not exhibit responsibility received constant supervision.

At two demonstration sites, Sebastian/Crawford counties, Arkansas, and Greene County, Missouri, participants who were judged difficult to place in regular employer-supervised job slots were formed into special work crews. Criteria for assignment to these work crews included, at one demonstration, the lack of skills, and, at the other site, alcohol problems or a record of poor attendance. In the latter case, participants who were considered difficult to place were assigned to tasks that usually involved janitorial work in the county building in which the jobs component was located. As the participants who were assigned to work crews proved themselves--by acceptable attendance, punctuality, satisfactory work performance, and so on--they were assigned to regular job sites for the duration of their obligation.

4.2.4 The Workfare Sanction Process

As did the conventional work-registration program, the workfare program included provisions for sanctioning participants who failed to comply with workfare requirements without good cause. The purpose of the sanctioning process was to encourage participation by penalizing those who failed to participate without a legitimate reason. From December 1980 to December 1981, approximately 5,300 persons (about one-fifth of all participants) received 7,500 months of sanctions. In

single-person households, the average monthly sanction was $66.77; in multiple-person households, the average was $49.94. The total amount of savings to the Food Stamp Program from imposing sanctions was $445,000.

In this section, we first describe the workfare sanctioning procedures and discuss some of the problems that were identified in terms of implementing this element of the program. This discussion is followed by an assessment, based on MIS data, of the extent to which the sites actually applied sanctions when it was appropriate to do so. The sanction for noncompliance with workfare regulations was the loss of the noncompliant participant's share of the household's food stamps for one month. The workfare sanction was thus different from the sanction under the conventional work-registration program. (The conventional job-search sanction disqualifies the entire household for two months, whether or not the household would have been eligible during the period; see Section 4.2.1.)

The sanction affected recipients who without good cause either did not report in when scheduled for an interview or did not complete their assigned number of work hours at a job site. Participants were considered to have good cause for failure to comply when they found a job prior to call-in, were ill, experienced transportation problems, had moved from the demonstration area, or had experienced other similar circumstances. Because workfare participants could become exempt from work-registration requirements after referral to workfare, reasons for exemption were also good-cause reasons for noncompliance. When a participant did not comply with a call-in or assignment, the jobs component sent a form to the FSA to indicate the noncompliance and the "probable cause." The FSA then made a determination of "final cause," which, if "no good cause" was found, became the basis for initiating steps to reduce the food stamp benefit. To establish "probable cause," jobs component staff attempted to contact the participant, although an investigation of the reason for failure to comply was often left to the food stamp caseworker. In some cases, the participant called or contacted the jobs component to explain the reason for noncompliance. If the jobs component indicated that the participant appeared to have good cause for noncompliance, the FSA accepted the ruling. In this circumstance, adverse action against participants was not initiated unless the caseworker had reliable information that contradicted the "probable good cause" determination made by the jobs component. However, FSAs generally did not accept a jobs-component ruling of "no good cause" without verifying the circumstances. If attempts to reach participants were unsuccessful, FSAs

assumed that no good cause existed and initiated sanction procedures.

When a determination of "no good cause" was reached, the caseworker sent the food stamp household a notice of adverse action. The notice stated that the household would be sanctioned for noncompliance with workfare unless, within 10 days after the date on which the notice was mailed, it responded with new information to establish "good cause." If the household responded with verifiable information to establish "good cause," then the adverse action was cancelled, and benefits continued at the same level.

If the client failed to establish a good cause within this period, the worker was to take action within the next 10 days to reduce benefits. Benefit reductions went into effect the next possible month and were reinstated at the end of the sanction month.[1]

Several problems led to difficulties in administering the sanctioning system, including the long period of time necessary to complete the process, the lack of agency follow-through, and problems associated with tracking pending sanctions. Although workfare was generally well administered, these problems indicate potential weak spots that require administrative attention.

Length of Sanction Process. Even when staff acted promptly, sanctioning was a lengthy process, taking a minimum of 15 days and an average of approximately 30 days. Cases with continuing food stamp certification received their entire allotment at the beginning of the month. All processing had to be completed by the third week of the preceding month. To stop food stamps from being issued in a given month, automated systems often had an earlier cutoff point. If the notice of noncompliance was not received until after the cutoff point, the application of a sanction was delayed for at least one additional month, no matter how quickly caseworkers processed the required paperwork. The processing of cases

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[1] If the 10-day period had passed, the sanctioned household could still appeal the decision about its food stamp case. Requests for hearings were rarely made during the demonstration; interviews with site personnel indicated that most sites experienced less than 10 requests for fair hearings during the 13-month demonstration period. The household could receive food stamps during the hearing process. If the hearing officer's decision went against the household, the benefits received would be subject to recovery by the Food Stamp Agency.

received after the cutoff date was usually delayed until the next cutoff date was to be met. Some of these cases were never acted upon.

Follow-Through. Workfare regulations stated that FSA staff were responsible for determining the cause of noncompliance. In some sites, responsibility for determining cause for noncompliance was assigned to a single FSA staff member. However, in several of the FSA offices that participated in the demonstration, the responsibility for following up workfare cases had not been clearly assigned. Consequently, caseworkers developed their own procedures and priorities for workfare cases, and thus assigned low priority to or delayed following up workfare cases, or did not follow them up at all.

FSA staff also reported that the size of caseloads per worker affected the sanctioning process. Workers with large caseloads required more time to perform certification activities for their cases, and consequently had less time available to follow-through with workfare sanctions.

In some sites, high turnover rates among eligibility workers also contributed to lags between noncompliance and sanction. Turnover often required that caseloads be shifted among workers. It also took newly hired workers longer to perform routine processing operations than it did experienced caseworkers. Furthermore, new workers were less familiar with the individual cases and with the workfare program rules, which meant that they did not always recognize situations in which sanctions were appropriate.

Tracking Pending Sanctions. An important administrative challenge occurred when sanctions were pending on cases whose food stamp certification period ended before adverse action could be taken. As noted earlier, eligibility had to be documented before the sanction could be taken. This criterion differs from the job-search sanction, which simply runs for two months whether or not the household is otherwise eligible for food stamps. Since the certification periods of workfare participants tended to be short (3 months on average, as we noted previously), and since the cause-determination process took at least 15 days from the time of the noncompliance until the sanction could be imposed, sanctions often could not be applied before the certification period expired. In such cases, sanctions remained pending, to be applied if and when the household re-applied for food stamps. If effective methods were not established for alerting caseworkers that a sanction had been pending on a particular case and that it should be invoked as soon as the participant re-applied for food

stamps, participants who had not complied with workfare requirements could not be disqualified.

Procedures for identifying pending sanctions varied across the sites. At some sites, uniform procedures were developed; at others, they varied among the caseworkers. At sites where multiple caseworkers processed a single case, and particularly where multiple offices handled the same case, uniform procedures were particularly important. Some of the sites adopted case-processing systems that appeared to be effective. For example, in Pinellas County, which operated an automated case-file system, the computer records of cases with pending sanctions were flagged to prevent food stamps from being issued erroneously. The flag could be overridden manually if the eligibility worker decided that the sanction was inappropriate. Effective manual systems for single-office programs entailed using a form which was placed in front of the case file to alert any worker who was handling the case that a sanction was pending.

4.2.5 Summary of Factors Affecting Activity Levels

The relatively short periods of eligibility for workfare, combined with the time necessary to complete the various administrative steps required to make a job-site assignment or impose a sanction, help explain the fact that only 16 percent of the individuals who were referred to workfare actually completed a work assignment, and that only 19 percent were actually sanctioned. Several problems have been touched upon in the preceding sections, but it is useful to summarize four factors here. First, the periods of eligibility for assignment were short. Of all persons who were referred to workfare, 25 percent were enrolled in workfare for one month, and another 31 percent were enrolled for two months. The average period of enrollment was 2.7 months. However, even 2.7 months overstates the availability for assignment, because (1) most persons who were referred were entitled to a 30-day job-search period,[1] and (2) many were referred late in a month.

Regulations required that each month's benefits be worked off during that month; recipients could not be asked to work off a month's benefits in some subsequent month. At the time of the demonstration, recipients received a full month of benefits regardless of the date of their application. Thus, recipients who applied after the 20th of a month enjoyed one month of benefit receipt, but they

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[1] Individuals who had previously been referred and had used the 30-day search period could have been assigned immediately.

were not obligated to report to a job site because it was too late to schedule them for one.

Second, clients often had successive short certification periods. The jobs component could not make additional assignments until they had been notified of the recipient's

Third, the workfare process required time to complete the information and concomitant paperwork flows to and from the eligibility worker, the jobs component, and participants. The jobs component communicated in writing with participants and job sites, as well as with the welfare office. This process took time, and participants frequently left the Food Stamp Program and/or workfare before they could work or be sanctioned for noncompliance.

Fourth, even beyond the delays built into the administrative process, the site visits and the MIS provide evidence to suggest that FSA and jobs component staff were not always able to complete the necessary steps promptly.

4.2.6 Observed Activity Levels

We began this chapter with a discussion on the number of individuals who were assigned to and participated in the various phases of workfare activities. Within the context provided by the subsequent discussion on the problems encountered in implementing the various components, this section examines the activity levels during the 13-month demonstration period from December 1980 to December 1981. Table 4.6 shows the number of interview and job-site assignments, the number and percentage of those assignments that were completed, and the disposition of assignments that were not completed. Approximately 32,800 interviews were scheduled, of which 14,000 (or 43 percent) were completed. Comparing the data on months assigned with the data from Table 4.2 on the number of persons assigned indicates that an average of 1.4 interviews were scheduled, and 1.1 were actually completed. This could happen if, for example, an average of 4 persons in 10 were scheduled for interviews more than once, and 1 in 10 actually had a

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TABLE 4.6

NUMBER AND OUTCOME OF WORKFARE INTERVIEW AND JOB-SITE ASSIGNMENTS

Disposition of Each Occurrence	Interview		Job Assignment		Total	
	Number	Percent	Number	Percent	Number	Percent
Assigned	32,759		22,851		55,610	
Completed	14,030	42.8	9,449	41.4	23,479	42.2
Failed to Complete	18,729		13,401		32,130	
Final Good Cause Determination Made:						
Good cause	5,968	18.2	5,114	22.4	11,082	19.9
No good cause						
Sanctioned	4,074	12.4	3,272	14.3	7,346	13.2
Not sanctioned	5,863	17.9	4,031	17.6	9,894	17.8
No Final Good Cause Determination Made						
Probable good cause	462	1.4	223	1.0	685	1.2
Probable no good cause	2,344	7.2	735	3.2	3,079	5.5
Probable good cause missing	18	0.1	26	0.1	44	0.1

NOTE: Tabulated from the Workfare Management Information System. Figures are the number of occurrences of each assignment and outcome. Individuals may have been scheduled for an interview or job assignment several times. Tabulations count the disposition of each such assignment.

activity assignments were completed, were not completed for reasons constituting good cause, or led to a sanction. In the remaining 25 percent of assignments, a final determination of "no good cause" was made but no sanction was imposed (18 percent), or probable cause determination was made by the jobs component but no final cause determination was ever made by the Food Stamp Agency (7 percent of cases).

To provide further perspective, it is useful to examine the distribution of good-cause reasons for the 11,000 assignments in which the Food Stamp Agency determined that good cause for noncompliance existed (see Table 4.7). Just over half of the final good-cause reasons reflect changes in case circumstances that affected workfare eligibility: in 14 percent of the cases, the food stamp case closed; in 24 percent, the individual became exempt from the food stamp work-registration requirement; and, in 14 percent, the individual continued to be a work registrant but was no longer subject to the workfare requirement. Another 28 percent of the good-cause reasons were related to circumstances that limited the individual's capacity to participate, with illness (one's own or that of a family member) as the primary reason (17 percent). Transportation problems accounted for only 5 percent of good-cause reasons, although individual sites, particularly rural sites, both reported that transportation limited their ability to move participants into work assignments and exhibited a higher incidence of good causes associated with transportation. Finally, 20 percent of the good-cause reasons pertained to problems on the program side, such as scheduling, failing to communicate with the client, etc.

In summary, these data indicate that 1 activity assignment in 10 was not completed because a change in case circumstances had eliminated the obligation to participate by the time of assignment, and 1 in 20 was not completed because of administrative problems.

The data on sanctioning that are shown in Table 4.6 suggest that a relatively small fraction of potential sanctions were actually imposed. One measure of potential sanctions is the number of months with a final no good cause (17,240) plus the number of months in which no final cause determination, but a determination of probable no good cause, was made (3,079). Based on this measure of potential sanctions, only about 36 percent of the potential sanctions were actually imposed. However, as a practical matter, it was impossible to impose sanctions on cases that never received food stamps after the month in which they failed to comply. Furthermore, for 6,430 of those months in which a final no-good-cause determination was made but

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TABLE 4.7

NUMBER AND DISTRIBUTION OF GOOD CAUSE CODES
ASSOCIATED WITH FAILURE TO COMPLETE INTERVIEWS
OR JOB-SITE ASSIGNMENTS

	Interviews		Job Assignments		Total	
	Number	Percent	Number	Percent	Number	Percent
Food Stamp Case Closed	938	15.7	553	10.8	1,491	13.5
Exempted from Work Registration	1,622	27.2	1,044	20.4	2,666	24.1
Exempted from Workfare	833	14.0	704	13.8	1,537	13.9
Good Cause						
Illness	599	10.0	1,037	20.3	1,636	14.8
Household Emergency	82	1.4	139	2.7	221	2.0
Transportation	243	4.1	271	5.3	514	4.6
Time Conflicts	300	5.0	433	8.5	733	6.6
Low Priority	26	0.4	14	0.3	40	0.4
Administrative Reasons	1,325	22.2	920	18.0	2,245	20.3
Total	5,968	100.0	5,115	100.0	11,083	100.0

NOTE: Tabulated from Workfare MIS. Categories were defined as follows: food stamp case closed, codes 1-17; exempted from work registration, codes 20-27; exempted from workfare, codes 30-34; good cause, codes 40, 50, 60, 70, 71; and administrative reasons, codes 80-90. For interpretations of specific code numbers, see Workfare Management Information System (MIS) Manual, Ketron, June 1981.

no sanction was imposed, the client was never active after the month of noncompliance. Similarly, for 1,697 of the months in which no final cause determination was made, but in which a probable no-good-cause determination was made, the client was never active after the month of noncompliance. If these months are eliminated from the count of potential sanction months, then sanctions were imposed in 60 percent of the months in which they should have been. It is also important to note that even this more limited measure of potential sanction months represents a stringent performance measure, because it counts as potential sanction months those months of noncompliance in which the case was active only in the immediately following month. As we have discussed, necessary administrative lags often precluded imposing the sanction until the second month after noncompliance. Thus, it seems safe to conclude that sanctions were imposed in well over half and maybe as high as two-thirds of the instances in which noncompliance occurred, and that it was administratively possible to impose those sanctions.[1]

4.2.7 Program Outcomes and Length of Active Status in Workfare

Because the preceding section defined the unit of analysis as the occurrences of each activity rather than as individuals, it was not practical to examine the relationship between program outcomes and the length of time in the workfare program--a relationship that has been identified as a possible explanation for the lower-than-expected levels of working in a workfare job and/or sanctioning. In this section, we examine the relationship between program outcome status and the number of months active in workfare.

As the first step in the analysis, all participants were assigned to one, and only one, of the program activity categories shown in Table 4.8, although they may have in fact participated in more than one activity. The activity status was assigned in the order in which the categories appear in the table; each individual was classified in the first status for which he/she met the relevant condition. Thus, individuals may also have experienced a status below the one to which they were assigned, but they never experienced a status above the one to which they were assigned. For example, an individual classified as "ever sanctioned" may at some point also have been classified as

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[1] We also examined several measures of the percentage of noncompliant individuals who were sanctioned and found that similar percentages of individuals who should have been sanctioned were in fact actually sanctioned.

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TABLE 4.8

DISTRIBUTION OF PROGRAM ACTIVITY STATUS BY LENGTH OF PARTICIPATION: ALL PARTICIPANTS (Percent)

Program Activity Status	Total Number of Months of Workfare Activity					
	0	1	2	3	4+	Total
Ever Worked in a Workfare Job	0	5.5	13.9	22.2	44.7	20.3
Ever Sanctioned	0	2.5	6.7	22.6	30.7	14.4
Good Cause, Food Stamp Case Closed	0	6.7	11.6	7.7	2.5	7.5
Good Cause, Exempt from Workfare	0	18.1	17.3	8.8	4.8	12.8
Good Cause, Temporary Personal Reasons	2.4	5.3	6.1	6.0	6.1	5.9
Noncompliant, Never Active After Noncompliance	2.0	19.4	33.9	17.2	3.1	19.8
Noncompliant, Active One Month After Noncompliance	0	.03	2.1	9.5	1.9	3.2
Noncompliant, Active Two or More Months After Noncompliance	0	0	0	.8	3.8	1.0
Left Food Stamps During Job Search Period	0	6.5	.03	.03	0	1.6
Administrative Good Cause	0	.2	.3	.1	.02	.2
Referred Too Late to Interview This Month	2.0	8.8	3.9	1.8	1.4	4.1
Not Available for Scheduling	10.2	22.5	3.1	3.0	.7	7.3
Other	83.4	4.4	1.0	.3	.3	1.9
Weighted Number of Observations[a]	137	6,950	8,847	6,324	6,126	28,384

[a] Data were entered into the MIS on only 60 percent of the San Diego participants; thus, all San Diego observations were weighted by 1/.6.

"good cause, food stamp case closed," but an individual classified as "ever sanctioned" would not have "ever worked in a workfare job." Consequently, the "ever sanctioned" category excludes individuals who worked part of a month and were sanctioned for not completing their workfare assignment, or who worked one month but were sanctioned for noncompliance in some other month. These individuals are included in the "ever worked" category. Because of how status has been determined, these tabulations must be interpreted very cautiously, and it must be recognized that ordering the categories differently would almost certainly produce a different distribution.

The tabulations indicate that over one-third of all participants ever worked in a workfare job or were ever sanctioned. Another 20 percent received a good cause for noncompliance, which indicated that their food stamp case had closed or that they had become exempt from workfare. Only about 6 percent are classified as receiving a good cause code which indicated their temporary inability to meet a workfare obligation. Another large group was noncompliant; 20 percent of the group were never active in workfare thereafter, and 3 percent were active for just one month thereafter. Because of the time necessary for complying with all procedural requirements, it would have been nearly impossible to sanction those who were never active after noncompliance. Only 1 percent never worked, were sanctioned, or received a good cause, but were noncompliant and remained active for at least two months.

Just less than 2 percent stopped receiving food stamps during the job search period before their active participation. Finally, just over 13 percent were placed into one of the last four program activity statuses, which indicate that some administrative problem precluded their participation. Overall, these data also support the view that, although the proportion of cases who ever worked or were ever sanctioned fell below expectations, the workfare program was largely well administered.

Participants who were active in the program for longer periods were more likely to have worked in a workfare job and more likely to have received a sanction if they did not work in a workfare job than were participants who were active for shorter periods. The percentage of participants who either worked in a workfare job, were sanctioned for noncompliance, or had a nonadministrative good cause for not working increased. Thirty-eight percent of those with one month of activity worked, were sanctioned, or had a substantive "good cause," and 56 percent of those with two months of activity, 67 percent with three months of activity, and 89 percent of those four or more months of

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activity fell into one of these statuses. Conversely, participants who were in the program for shorter periods are more likely to have had "good cause" reasons associated with program administration or to have left the program during their job-search period than was true of other participants. Indeed, of the 13.5 percent of all participants (or 3,800 individuals) who were not served for reasons associated solely with program administration, 3,360, or 88 percent, were active in workfare for two months or less.

4.3 PARTICIPANTS' VIEWS AND EXPERIENCE

This section examines program administration from the clients' perspective, based on information provided by respondents to the participant survey.[1] It discusses their attitudes toward workfare, perceptions of job site experience, work-related expenses, and reasons for noncompliance.

4.3.1 Attitudes Toward Workfare

More than 85 percent of those who were interviewed at the demonstration sites said that at least some recipients should work for their food stamp benefits (see Table 4.9). However, only half said that food stamp recipients would comply with workfare. Interestingly, fewer comparison sample members (approximately 80 percent) expressed support, and fewer (approximately one-third) believed that food stamp recipients would comply with workfare.

When asked about the purpose of workfare, most respondents at the demonstration sites (about 60 percent) felt that its purpose was to "enable people to return something for the food stamps they received." About 15 percent viewed it as a mechanism to keep people off food stamps, and a similar proportion thought its purpose was to help people obtain jobs.

4.3.2 Perceptions about Job Site Experience

Table 4.10 displays data on participants' perceptions about their program experience. With respect to their experience with the job-site assignment process, over 40 percent stated that they had been given some choice in their job assignment. Responses to a question about the primary reason that they were assigned to a particular job site varied. One-fifth said it was because of their qualifications, 25 percent said it was because of transportation or accessibility, and about 14 percent said

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[1] The sample and survey administration were described in Chapter 3; further details are provided in Appendix A.

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TABLE 4.9

ATTITUDES TOWARD WORKFARE
(percent)

	Demonstration		Comparison	
	Males	Females	Males	Females
Percent Stating That at Least Some People Should Work for Their Benefits	86	87	80	83
Percent Believing That Able-Bodied People Would Work for No Pay in Order to Receive Food Stamps	53	48	36	25
Purpose of Workfare				
- Help people get paid job	14	16	NA	NA
- Enable people to return something for the food stamps they receive	62	58	NA	NA
- Keep people off welfare	15	14	NA	NA
- Other, don't know, refused	9	12	NA	NA
Number of Observations	(n=605)	(n=373)	(n=384)	(n=227)

NOTE: Figures are weighted tabulations of responses to the Wave 1 interview. Figures in parentheses are unweighted numbers of observations.

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TABLE 4.10

PARTICIPANTS' PERCEPTIONS OF PROGRAM EXPERIENCE
(percent)

	Male	Female
Job Assignment		
Given Choice of Job	43.3	43.6
	(n=378)	(n=244)
Reason for Particular Job Assignment		
Qualifications	20.0	20.8
Location	25.9	26.0
Only one job available	15.6	10.0
Other, don't know, refusal	38.2	42.8
	(n=388)	(n=176)
Learned New Skills	17.7	33.9
	(n=263)	(n=176)
Aspect of Workfare Job Respondent Liked Best		
May lead to paying job (experience, contacts)	7.4	2.9
Psychological factors (gets me out of house, feelings about self)	11.8	15.1
Job itself (like the work, like caseworkers, supervisors)	59.6	66.6
Nothing	14.8	13.6
Other, don't know, refusal	6.1	1.6
	(n=263)	(n=176)
Any Serious Problem at Workfare Job	(n=263)	(n=176)
Serious problem with:		
Supervisor	2.8	2.4
Co-worker	2.0	0.9
Not trained or able to do job	1.5	2.2
Didn't like job	3.5	3.4
Job schedule	4.5	10.9
Not enough work	6.8	24.6
Personal safety	1.6	6.6
	(n=263)	(n=176)
Believe Workfare Job Will Help Get a Job Later	31.9	45.0
	(n=263)	(n=176)
Reasons That Workfare Job Will Help Get a Job Later		
Training/experience	29.2	71.1
Contacts	19.7	3.9
Rollover[a]	45.6	12.6
Other/don't know	5.5	12.1
	(n=93)	(n=83)

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TABLE 4.10 (continued)

	Male	Female
Reasons Workfare Will Not Help Get a Job Later		
Busy work of no value	13.9	18.2
Don't want to do this kind of work	28.3	12.2
No training given	23.3	41.2
No jobs like this available	15.0	4.0
Not enough hours to gain real experience	6.7	10.0
Other, don't know, refusal	12.8	14.4
	(n=153)	(n=72)

NOTE: Figures are weighted tabulations of responses to the Wave 1 interview. Figures in parentheses are unweighted numbers of observations.

[a] "Rollover" means that the individual becomes a regular paid employee at the workfare site.

that they were assigned to their job because it was the only job available. Approximately 40 percent gave other reasons or did not know.

Participants who had worked at job sites were asked a detailed series of questions about their workfare experience. About 18 percent of the males and 34 percent of the females who had worked at a job site felt that they had learned some job skills during their assignment. When asked what they had liked best about their workfare job, 60 percent of the males and 67 percent of the females who had worked replied that they liked the job itself--that is, the work, their co-workers, or their supervisors. Another 12 percent of the males and 15 percent of the females found that psychological factors--for example, getting out of the house or feeling better about oneself--were the most favored aspects of the workfare jobs. However, for another 15 percent of the males and 14 percent of the females, there was nothing about the workfare job that they liked.

Substantially more females than males reported experiencing problems at their workfare jobs. Thirty-two percent of the females and 18 percent of the males reported one or more problems at the job site. The most frequently reported problem was that there was not enough work, a problem noted by 25 percent of the females and 7 percent of the males who had worked. The next most frequently reported problem was with scheduling the work, which was a problem for 11 percent of the females and 4 percent of the males.

Participants were asked whether they thought that their workfare job would help them obtain a job later. One-third of the males thought that it would, and just under half of the females shared this view. Among the males who felt that workfare would help them obtain a job later, the most common reason (expressed by 46 percent) was the expectation that the workfare job would lead to a regular position with the same employer. Females who felt that workfare would help them find work were more likely to cite the training or experience gained in workfare as the primary reason that workfare would help them obtain a job. It should be noted that it was probably unrealistic of the participants to expect to be hired at the job site. According to information from worksite supervisors, few workfare participants were hired by the agency at which they were placed as a workfare participant.

Males who thought that workfare would not help them find a job cited diverse reasons for their view, and none stands out. Nearly half of the females cited a failure to provide training as the reason. It is interesting to note that females appeared to have higher expectations that workfare

would provide training, as evidenced by the fact that most of those who thought that workfare would help them find a job cited training as the reason, and those who thought that it would not help cited a failure to provide training as the reason.

4.3.3 Work-Related Expenses

Respondents who worked in workfare jobs were also asked about their workfare job-related expenses. Table 4.11 shows the total expense per person and the average amounts reported in several categories. Males reported higher expenses in nearly every category, for a total of nearly $22.00 per month; females reported a total of nearly $14.00. Work-day lunches and transportation were the largest categories reported by both groups, accounting for approximately 80 percent of the total amount of work expenses. Also noteworthy is the very small amount spent on child care by both males and female. The large number of one-person households and the rules exempting persons responsible for the care of children meant that relatively small amounts were spent for this purpose.

4.3.4 Noncompliance

Several questions were asked to determine why participants had failed to comply with workfare requirements (see Table 4.12). Among those who failed to report for an interview, 45 percent of the males reported that the reason was because they had found a job, and 20 percent had "other" reasons. Thirty percent of the females had found a job, and one-third reported that a health-related problem (their own or a family member's) prevented them from appearing for the interview. Only 10 percent of the males and females said that they refused to work or requested that their food stamp case be closed. The reasons given for not completing a workfare assignment had a different distribution. Among males, one-quarter said that they had obtained a job, and nearly as many gave "personal reasons" as the cause. Just over 15 percent of the males said that they were being sanctioned, refused to work, or had requested that their case be closed. Among the females, only 14 percent said that they had found a job. The primary reasons were health-related (cited by 33 percent) or personal (cited by 31 percent). In terms of their knowledge of the penalties for noncompliance, over two-thirds were aware of a penalty, and just under half knew what the penalty was.

4.4 SUMMARY AND ASSESSMENT OF IMPLEMENTATION

In this section, we first summarize briefly the main conclusions from the preceding sections, and then discuss the implications of those findings for the impact analysis, which is presented in the following chapter.

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TABLE 4.11

AVERAGE MONTHLY WORKFARE JOB-RELATED EXPENSES OF PARTICIPANTS[a]
(dollars per month)

Expenditure Item	Males	Females	Total[b]
Transportation to and from Job	9.90	6.60	8.80
Clothing for Job	2.20	2.20	2.20
Lunch on Workfare Days	8.10	4.50	6.90
Child Care on Workfare Days	0.40	0.50	0.40
Other Expenses	1.20	0.00	0.40
Total	21.80	13.80	18.70
Number of observations	263	176	

[a] Based on responses to a question in the Wave 1 interview about expenses in the last month of the individual's workfare job. Figures are weighted means, rounded to the nearest $0.10.

[b] Total figures are a weighted average of the means for males and females. Weights are .68 for males and .32 for females.

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TABLE 4.12

REASONS FOR NONCOMPLIANCE AND KNOWLEDGE OF SANCTIONS

	Males	Females
Reason for Not Attending Interview		
Got a job	44.8	29.4
Health (own or other)	7.1	32.0
No longer eligible	1.4	4.2
Personal	14.2	11.3
Sanctioned	--	--
Refused to work	7.3	--
Food stamp case closed at client's request	2.9	10.3
Moved	1.9	4.3
Other/don't know/refusal	20.0	8.0
	(n=90)	(n=70)
Reason for Not Completing Workfare Assignment While Assigned		
Got a job	24.5	13.5
Health (own or family)	14.3	33.0
No longer eligible	2.2	5.7
Personal	23.0	31.3
Sanctioned	2.6	0.4
Refused to work	12.9	6.2
Closed food stamp case at client's request	1.2	2.3
Moved	5.6	2.5
Job-site-related	5.4	1.0
Other/don't know/refused	7.8	3.5
	(n=213)	(n=109)
Knows Penalty for Noncompliance Exists	67.2	68.4
	(n=605)	(n=373)
Knows What the Penalty for Noncompliance Is	39.8	46.2
	(n=605)	(n=373)

NOTE: Figures are weighted tabulations of responses to the Wave 1 interview. Figures in parentheses are unweighted numbers of observations.

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4.4.1 Summary

Participant Characteristics. The MIS data indicate that participants were predominantly male (two-thirds) and predominantly white (70 percent), and that most (60 percent) had at least 12 years of schooling. Many had relatively short food stamp certification periods, and many had been employed in the year prior to their referral to workfare. However, females without recent work experience comprised a significant fraction (approximately 15 percent) of those who were referred to workfare.

Conventional Work Registration. The conventional food stamp work-registration program was investigated in both the demonstration and comparison sites. Relatively small percentages of work registrants were served or placed by SESAs at both demonstration and comparison sites. Several factors contributed to this situation. On the one hand, SESAs tended to perceive that food stamp recipients were more difficult to place than were their other clients, and therefore assigned them lower priority. On the other hand, FSA staff often failed to provide all the information about their clients that was necessary to enable the SESA to make a job referral. The perceived ineffectiveness of conventional work-registration activities, combined with the relatively short certification periods of many workfare participants, led many site staff to question the value of the permissive 30-day job search period before a participant was required to fulfill a workfare obligation.

Workfare Job Sites. Demonstration projects reported little difficulty in identifying a sufficient number of adequate job sites, although most also reported that they contacted some prospective job sites that declined to participate. Most workfare jobs were in public-sector agencies, and the slots were concentrated in relatively low-skill occupations (such as lower-level clerical and janitorial/custodial services). Supervisors reported providing little or no special supervision to their workfare workers. The workfare participants provided 23,000 hours of public service each month.

Workfare Sanction Process. Approximately 20 percent of all participants were sanctioned for not fulfilling their workfare obligations. Sanctioning was among the more difficult areas of program administration because of the coordination that was necessary between the jobs component and the local Food Stamp Agency. Indeed, long lines of communication, long periods of elapsed time required to perform the necessary administrative steps, and short certification periods during which participants could be held accountable combined to preclude imposing sanctions in many cases in which they appeared to be warranted.

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Observed Activity Levels. Just over 80 percent of all individuals who were referred to workfare were called in for an interview by the jobs component, and just over 40 percent were in fact interviewed. Approximately one-fifth worked in a workfare job, and a similar percentage were sanctioned for noncompliance.

In terms of all workfare activity assignments (including both interview and work assignments and counting multiple assignments for individuals who had them), three-fourths were handled as called for by the basic program model--42 percent were completed, 20 percent were not completed for reasons deemed to constitute good cause, and 13 percent led to a sanction.

The remaining 25 percent of assignments led to a formal determination of no good cause but no sanction (18 percent) or to a probable-cause determination but no final-cause determination (7 percent). The available data suggest that sanctions were imposed in approximately two-thirds of the instances in which a sanction was called for, and that it was feasible to impose the sanction. These activity data suggest that despite the relatively low percentages of

and despite the problems that were identified, the fourteen second-year demonstration sites adhered closely to the planned workfare model.

Participants' Views and Experience. Most workfare participants who were interviewed for the study said that at least some people should work for their food stamp benefits. Those who worked at job sites reported few workfare-related problems, and most participants knew that there were penalties for noncompliance. However, only a minority of respondents (about one-third of the males and just under half of the females) believed that workfare would help them obtain a job later, and a smaller percentage (about 20 percent of males and one-third of females) felt that they had enhanced their job skills

extensively and reported key information about individuals' activities to the research contractor.

Prior to implementation, project personnel from all sites participated in one of two national training meetings conducted by Food and Nutrition Service staff and the evaluators. Federal staff and the evaluators presented an extensive operational manual and new referral and monthly reporting forms for the evaluation which built on experience from the first set of demonstrations. All referrals and subsequent workfare activities for each referral were reported monthly to the evaluator. The contractor checked the data for completeness and entered them into an automated information system. Monthly reports of site activities based on site data were given back to the sites throughout the demonstration. Sites also reported monthly to FNS. FNS visited the projects frequently to ensure adequate levels of activity and adherence to policy. The intensive training and monitoring and the frequent reporting of data on forms that could also be used for internal project purposes were important factors in securing the high level of implementation observed at the sites.

As context for the discussion in the next chapter (the impacts of workfare on participants), it is useful to highlight the operational features of workfare that distinguished it from the conventional food stamp work-registration program in place at the time of the demonstration.

As we have seen, the conventional food stamp work-registration program in effect at the time of the demonstration required able-bodied food stamp recipients who did not meet certain exemptive conditions to register for work with the local office of the U.S. Employment Service. The Employment Service interviewed just under half of these food stamp recipients and offered services to about one-quarter. The sanction for failing to comply with work-registration requirements was the loss of benefits for the entire household until the registrant complied with the requirement or, if not, until two months had elapsed, whichever was earlier. However, these sanctions were only rarely applied, in part perhaps because ES officials exercised discretion over who would be offered services and did not offer to serve everyone.

In contrast, the obligations of work registrants under the Workfare Demonstration were clear cut and easy to monitor. Participants were required to appear for their interview or assigned job, and were subject to sanction if they failed to do so without good cause. Although the

nominal penalty for noncompliance was weaker under workfare than under the work-registration program (i.e., the offending member was not counted when the household's benefit was calculated for the month of noncompliance), the sanction was applied in most cases in which it was feasible to do so. Thus, the Workfare Demonstration appears to have introduced a higher level of scrutiny in terms of compliance with Food Stamp Program work-registration requirements than existed elsewhere at the time of the demonstration.

It should be noted, however, that many states have since introduced job-search requirements that did not exist at the time of the Food Stamp Program Workfare Demonstration in 1981. It is important to bear in mind that such changes in existing work requirements could mean that the net impacts of introducing a workfare requirement in the current context might differ from the net impacts that resulted from the demonstration.[1]

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[1] Of course, other factors also complicated attempts to generalize from the demonstration. These are discussed in Section 3.4.

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5. ANALYSIS OF THE IMPACTS OF WORKFARE ON PARTICIPANTS

A major objective of the evaluation of the second year of the Workfare Demonstration is to measure its overall impact on the food stamp benefits and employment of its participants. This objective has been addressed based on information on the labor-market experience of and benefits received by a sample of individuals who were referred to the program at the demonstration sites. This information, which was collected through in-person and telephone interviews with sample members, covers periods before and after their referral to workfare. The same information was collected and the same time period used for a comparison group which consisted of individuals from sites that were chosen on the basis of their similarity to the demonstration sites, who, like the workfare participants, were Food Stamp Program work registrants and would have been eligible for workfare. The purpose of using the experience of this matched comparison group was to indicate what would have happened to the workfare participants had they not participated in the demonstration. Specifically, the effects of workfare on the postprogram employment and food stamp receipt of participants were measured by comparing the experience of the demonstration sample with the experience of the comparison group.

Based on the preceding discussion, it would appear that measuring the impacts of the demonstration would be relatively straightforward in concept. However, the empirical implementation of the evaluation strategy required decisions about numerous analytical issues whose resolution could have affected the observed differences between demonstration and comparison group members. Furthermore, the analysis had to take into account factors external to workfare which could also have affected not only the observed differences, but also the conclusions to be drawn from those differences. For these reasons, it is especially important to describe carefully both the expected impacts and the key analytical assumptions underlying the empirical estimates, so that the estimates can be examined in light of the assumptions used.

The results of our evaluation of the impacts of workfare are organized as follows. Section 5.1 describes the expected impacts on participants, and discusses how, in light of our knowledge of how the demonstration was implemented, these impacts may have been expected to occur. Section 5.2 contains a discussion of the methodology used and the key analytical considerations that could affect the interpretation of the findings. Section 5.3 then presents and assesses the impact findings. The concluding Section 5.4 summarizes these findings.

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5.1 HYPOTHESES ABOUT THE IMPACTS OF WORKFARE

The impact evaluation seeks to determine whether workfare reduced the food stamp dependence and increased the employment of eligible food stamp recipients.

5.1.1 Primary Hypotheses

Accordingly, workfare is hypothesized to have affected individuals who were referred to the program in the following ways:

- Workfare should reduce the number of months in which participants receive food stamps.
- It should reduce the average amount of benefits received.
- It should increase the percentage of months in which participants work in paid employment.
- It should increase the average hours worked in paid employment.
- It should increase average earnings.

While the primary policy questions pertain to the average effects on these outcomes, two subsidiary issues warrant attention. First, it is of interest to determine how the program achieved reductions in food stamp benefits and associated increases in employment. In this respect, we distinguish between "incentive" effects, whereby workfare alters the relative attractiveness of receiving food stamps, and "training" effects, whereby it enhances the employability and work skills of participants.

The basic question is whether workfare achieved its impacts primarily by altering the incentives to work and to receive food stamps, or whether it also enhanced the skills of participants and their ability to find and hold paid jobs. A second, related issue pertains to the effects of workfare on wage rates: Did workfare lead to higher or lower wage rates? Below, we discuss these issues more fully.

5.1.2

Incentive vs. Training Effects

The workfare obligation amounted to working at or below the minimum wage.[1] Consequently, recipients who could earn even the minimum wage faced incentives to increase their earnings at least to the point at which the workfare obligation was eliminated. Since workers often do not have the flexibility to adjust their own hours of work by small amounts, any increases in employment may have made recipients ineligible for food stamps. Since large percentages of male workfare participants had previously been employed at average salaries well above the minimum wage, we hypothesize that workfare induced substantial increases in employment for males through this incentive mechanism (see Table 5.1 in Section 5.2.3 for data on employment). Because the lower prior earnings of the female sample suggest that, as a group, female participants may have been less able to obtain and hold jobs, the incentive effect is hypothesized to be smaller for females.

Some individuals might stop receiving food stamp benefits without an associated increase in employment. This would occur if persons did not want to work and were sanctioned or voluntarily withdrew from the Food Stamp Program. It could also occur if persons who had unreported jobs were sanctioned because their jobs prevented compliance or were prompted to report previously unreported earnings out of a concern that the workfare assignment would lead to the detection of these earnings. It should be noted that the evaluation measures only the impacts on individuals who actually applied and then received food stamps. It does not measure any reductions in food stamp receipt that occurred because workfare deterred some eligible individuals from applying for benefits.

A second way that workfare could reduce food stamp receipt and increase employment is by enhancing the employment skills of participants. However, the characteristics of participants and their program experiences described in Chapter 4 lead us to hypothesize that this effect may be small overall. As we noted earlier, only about 20 percent

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[1] The participant's monthly workfare obligation was determined by dividing the difference between reported earnings and the food stamp amount by the minimum hourly wage. The effective wage rate would have been much lower than the minimum wage for households with more than one person, because the penalty for not completing the workfare obligation was a reduction in the household's food stamp allotment by removing the offending member from the household for one month. The effective wage rate is then the reduction in benefits divided by the entire workfare hours rather than the entire household benefit divided by workfare hours.

of the workfare participants ever worked at job sites, and many of these, particularly males, had recent work experience. Moreover, on average, those who worked at job sites worked only about 30 hours a month for 2.2 months, and, given their short, unpredictable participation, job sites tended to place them in low-skill jobs that required little training. Short periods of work in low-skill jobs by only a small fraction of referrals are likely to have upgraded specific job skills only to a very limited extent.

While, overall, we expect training effects to be limited, anecdotal information suggests they may have been important for some groups. As reported in the previous chapter, some of those who worked at job sites stated that they thought workfare work would help them find a job; furthermore, site administrators developed placements to meet individual skills and described recipients who obtained jobs by (1) building a work history that included references to their dependability and basic capabilities, (2) proving their capability in paid jobs with the job site sponsor, (3) gaining actual referrals to jobs of which the job site supervisor was aware, and (4) gaining confidence in their ability to perform work that others would be willing to pay for and thus to look for jobs when they would not have searched otherwise. These factors suggest that workfare may have enhanced the employability of some participants by orienting or reorienting them to the labor market rather than by building job-specific skills. Thus, it will be important to attempt to assess the importance of both the incentive and the training effects in the impact analysis.

5.1.3 Impacts on Wage Rates

It is difficult to predict whether the hourly wage rates of individuals who are working should increase or decline due to their participation in workfare. On the one hand, participants' wages may decline if they shorten their search period and accept lower-paying jobs than they would have accepted in the absence of workfare. On the other hand, higher wages are possible if an incentive effect from workfare induces more intensive job search, or if a training effect occurs from a greater contact with the labor force.

Thus, it will be important to investigate the extent to which changes in food stamp receipt and employment occurred because of the incentive effect (a desire to avoid the workfare obligation) or because of the training effect (enhanced employment skills), as well as to examine changes in wage rates.

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5.2 ANALYTICAL METHODS AND SAMPLE CHARACTERISTICS

The basic research design used for the evaluation entailed a comparison of a stratified random sample of work registrants in the demonstration sites with a nonrandom matched sample of work registrants in the comparison sites. In Section 3.3, we described the sample design and data collection. In this section, we discuss several analytical issues raised by the sample and data, briefly describe the analytical methods upon which the impact estimates are based, and discuss the characteristics of the sample.

5.2.1 Analytical Issues Posed by the Sample Design and Data Collection

Three features of the sample and data must be treated appropriately in the analysis in order to provide an accurate assessment of workfare impacts:

1. Different lengths of follow-up for responding sample members
2. The loss of approximately one-third of the original sample because of nonresponse to the interview
3. Different selection probabilities according to the extent of the individual's participation in program activities.

In addition, the analysis must be sensitive to the basic limitation imposed by the comparison-group design--namely, that unmeasured differences between the demonstration and comparison groups, rather than the effects of workfare itself, may be responsible for differences in postprogram employment and food stamp receipt.

Different Lengths of Follow-up Periods. As noted in Chapter 3, 67 percent of the original sample completed the Wave 1 interview, and 46 percent also completed the Wave 2 interview.

We considered basing the analysis on all respondents to the Wave 1 interview (including those who did not respond to Wave 2) and, alternatively, using only individuals who responded to Wave 2. For individuals who completed only Wave 1 interviews, the available data cover approximately a five-month period after their initial referral, compared with a seven-month period for individuals who also

completed the Wave 2 interview.[1] The mandated period of job search, delays in job-site assignment, and delays in other administrative functions suggest that the longest possible follow-up should be used in order to provide a sufficient time period for observing impacts. However, because less than half of the original sample completed the Wave 2 interview, and since this group may be unrepresentative of the entire sample, estimates based only on the Wave 2 respondents could be seriously misleading. Thus, we have defined the basic analysis sample as the group of Wave 1 respondents, and the follow-up period as the period between the month after initial referral to the Workfare Demonstration program and the month of the last interview. This approach enabled us to exploit all available data for the original sample, and thus, relative to other available options, minimized the potential effects of sample attrition.[2] Of course, the analytical methodology described in 5.2.2 had to be specified in a manner whereby it was affected only minimally by the length of available follow-up.

Interview Nonresponse. Although we used the data for all sample members who completed an interview, no interview data were available for over one-third of the original sample. The possibility that the experiences of respondents to the survey differed from those of nonrespondents introduced the potential for bias in the impact estimates which were based only on the respondents. Information on the stratifying variables was available for all sample members, and somewhat more information was available from the MIS on demonstration participants only. Thus, it is possible to compare respondents and nonrespondents along these variables, and to reweight the respondent sample to be representative of the entire population with respect to the stratifying

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[1] The referral month was March or April 1981. Wave 1 interviews were conducted during August-October 1981, so that the average follow-up period (excluding the referral month) was approximately 5 months. Wave 2 interviews were conducted in December 1981 and January 1982, so that the average follow-up period (excluding the referral month) was approximately 7 months.

[2] The length of the follow-up period varied from 3 to 9 months. The average length of follow-up was 6.5 months. We have interpreted the impact estimates as reflecting impacts over the first six post-referral months. The referral month has been included in the pre-referral (baseline) period.

variables.[1] However, the possibility that respondents might differ from respondents in terms of unmeasured characteristics which affect the outcomes of interest remains a source of uncertainty about the impact estimates.[2]

Sample Stratification. Stratifying the participant sample according to the level of participation posed a problem because participation status may reflect unmeasured personal characteristics that are also associated with the outcomes of interest in the analysis. For example, even after controlling for measured characteristics, individuals who worked in workfare jobs may have had fewer job opportunities or lower skill levels, on average, than did individuals who exhibited similar measured characteristics but did not work in workfare jobs. We identified two approaches for dealing with the design of the participant sample. One was to develop separate regression-adjusted impact estimates for each participant subgroup, and then to weight the subgroup estimates by the respective proportions of the participant population, so as to obtain an average effect for all participants. While the individual subgroup impact estimates might not be unbiased, their weighted sum should be approximately unbiased.[3] The second approach was to weight the data by the inverse of the selection probability and to compute weighted means, and then to form the "difference of difference" impact estimates. Our main estimates are based on the first approach, but we also tested the sensitivity of the findings by examining weighted means.

5.2.2 Analytical Methods Used

As discussed in Chapter 3, the site and sample selection process introduced a degree of uncertainty about the impact estimates that cannot be quantified. In particular, uncertainty unavoidably remains about whether the comparison sample was sufficiently similar to the demonstration sample (in terms of all important measured and unmeasured characteristics) that the observed differences can be attributed to the effects of workfare.

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[1] Sensitivity tests presented in Section 5.3.2 included the use of weighted means. The weights incorporated an adjustment for interview nonresponse.

[2] Analysis in Section 5.3.2 investigates the extent to which such differences could change the measured impacts of workfare.

[3] Of course, we abstract here from other factors unrelated to the participant sample design which could introduce bias.

Moreover, sample attrition adds to the uncertainty. In view of these uncertainties, we have relied on relatively simple methods for comparing the average experience of the demonstration sample with the average experience of the matched comparison sample.[1] Three types of comparisons were performed. The first type entailed graphical comparisons of the mean values of key outcome variables between the demonstration and comparison groups, for each month in the pre-reference and post-reference periods. These trends in average experience over time provided immediate visual evidence on the comparability of the relative magnitude of demonstration-comparison differences in outcomes during the follow-up period. Graphical comparisons of trends over time are presented in Section 5.3.3 and in Appendix E.

The second type of impact comparison was based on the change in the mean monthly outcomes from the pre-reference to the post-reference period. The change in average monthly food stamp receipt, earnings, and other outcomes for demonstration sample members was compared with the change in those elements for the comparison group members. This measure was preferred to a simple comparison of means in the follow-up period between the groups, so as to take into account the possibility of pre-existing differences in the levels of outcome variables between the two groups. The impacts of the program were estimated as the difference in the weighted pre- to post-referral changes for the two groups, and thus represent estimates of the differential experience of work registrants in the demonstration sites that can be attributed to the existence of the Workfare Demonstration. In order to account for the effects of different lengths of follow-up, the post-reference means were defined as the average monthly amount over the post-reference period for which valid data were available. The empirical results based on this method are presented in Section 5.3.2 and Appendix D.

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[1] A well-specified behavioral model would potentially provide additional insight into the ways in which workfare achieved positive impacts (or failed to), and could eliminate bias if the treatment and comparison groups were not comparable. However, the data requirements of such models are stringent, and the results are often sensitive to minor changes in model specification. In the present case, these usual problems are compounded by the presence of several other problems (e.g., volunteer demonstration sites that are matched to comparison sites that did not volunteer, the stratification of the demonstration sample on an endogenous variable, and sample attrition) that interact with each other.

The third, and computationally most complex, impact comparison entailed regression adjustments to the mean outcomes in the pre-reference and post-reference periods, which were then used to form the "difference of group differences" measure of the impacts of the demonstration described above. Regression adjustment was necessary to correct for differences among sample members in terms of the observable characteristics used to stratify the analysis sample.[1] However, because the participant-type stratum was not sampled proportionately--workfare assignees and workfare job-holders were oversampled--simple regression estimates based on the unweighted analysis sample might not have been representative of the average experience of all demonstration participants. One method for correctly estimating the average impact of the demonstration is to estimate separate effects for each (unweighted) participant group, and then to form the appropriately weighted average of these separate group effects.[2]

The estimates for the individual participant subgroups may be biased, because subgroups are defined in terms of how extensively individuals participated in workfare, and the participation decisions of these individuals could reflect unmeasured characteristics which also affect future employment and food stamp receipt. For example, if only the least capable members of the group who were referred to workfare chose to work in a workfare job (because they could not find a regular job), then a comparison between this worked-in-workfare subgroup and all comparison group members would provide an estimate of the impact of the program on this subgroup which would be biased downward. However, weighted averages of the estimates for all the subgroups should provide approximately unbiased estimates of the average impact across the subgroups. Upward or downward bias in the estimates for any single subgroup

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[1] As described in Appendix C, only the characteristics that were used to stratify the sample were included as independent variables in the regression that generated the basic impact estimates reported in Section 5.3.1. However, the effects of using a more extensive set of regressors was examined in the sensitivity tests reported in Section 5.3.2.

[2] In general, it is not appropriate to weight the data before estimating regressions, because using these weights implies a model in which the variance structure also depends on the weights. Unless one can maintain a hypothesis that this implied variance structure is correct, weighted least squares should not be used. Weights for the weighted average of the subgroup estimates are the proportion of each subgroup among all individuals who were first referred to workfare in March-April 1981.

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would be offset by biased estimates in the opposite direction for the other subgroups.[1]

It is also important to note that two features of this approach serve to lessen (but do not eliminate) the likelihood that the absence of nonrespondents from the analysis sample causes misleading inferences about program impacts. First, controlling statistically for measured characteristics effectively removes the effects of these variables and, hence, the effects of any measured differences between respondents and nonrespondents. Second, measuring the impacts as the differences in changes over time means that, in order for serious nonresponse bias to occur, nonrespondents in demonstration sites must differ from nonrespondents in comparison sites in terms of this change over time, rather than in terms of the level of their food stamp receipt or employment in either the pre- or post-reference period. Thus, in order for serious bias to occur, nonrespondents in demonstration sites must have (say) larger pre- to post-reference-period changes than do respondents in demonstration sites, while nonrespondents in comparison sites must have smaller changes than do respondents in those sites. Substantial differences between demonstration and comparison site nonrespondents in terms of changes over time appear to be less likely than differences in the level during any one period.

More generally, small differences between the demonstration and comparison samples do not represent a serious threat, as long as the differences are relatively stable over time. For example, small differences between the demonstration and comparison sites in terms of the unemployment level is unlikely to bias the estimates seriously, as long as the trends are similar over time. However, a sharp change in the postreference period in one group of sites without a corresponding change in the other would be likely to cause bias. (A more formal discussion on the regression-adjustment model and the estimation issues is presented in Appendix C. The empirical results are presented in Section 5.3.1.) The results of

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[1] The sample was also stratified by site. In particular, individuals at three large sites--San Diego, Pinellas, and Tazewell--were sampled at lower rates than were individuals with the same participation

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sensitivity tests in which unemployment rates are included as control variables in the regressions are discussed in Section 5.3.2.

5.2.3 Characteristics of the Analysis Sample

The descriptive statistics presented in this section address two dimensions of the sample used in this analysis: the comparability between the sample members from the demonstration and comparison sites, and the differences among demonstration participants from different subgroups.[1] As shown in Table 5.1, the personal characteristics of the demonstration and comparison groups were quite similar. The average age of all males was approximately 30 years, and the average age of all females was about 32 years, with only small differences between the demonstration and comparison samples. Well over half of each sample group had at least 12 years of schooling--with the exception of comparison females, slightly less than half of whom had at least 12 years of schooling. The average years of schooling for all groups was approximately 11 years. The average household size was just under 3 persons.[2] Over 70 percent of the males were white, compared with about two-thirds of the females (i.e., slightly more than two-thirds of the demonstration group and slightly less than two-thirds of the comparison group).

The data suggest that members of all groups had substantial labor-market experience in the year prior to their referral, although some notable differences existed among the groups in terms of their earnings and food stamp receipt during the year prior to referral. Approximately half of the comparison group males and 59 percent of the demonstration group males had received food stamps. Approximately 80 percent of the males in both treatment groups had received some earnings in paid jobs. Demonstration group males had received slightly more food stamp benefits and had slightly higher average earnings than did comparison group males.

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[1] Further discussion of the comparability between the demonstration and comparison samples is presented in Section 5.3.3.

[2] Estimates of household size differ from those presented in Table 4.3 because of differences in the samples and differences in the data source. The estimates in Table 4.3 are based on MIS data for all workfare participants, whereas the estimates in Table 5.1 are based on interview data for the individuals who were referred to workfare in March and April 1981.

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TABLE 5.1

CHARACTERISTICS AND EXPERIENCE OF THE WORKFARE AND COMPARISON SAMPLES, BY SEX
(Percent and Average)

Characteristic	Males		Females	
	Demonstration	Comparison	Demonstration	Comparison
PERSONAL CHARACTERISTICS				
Age at Referral				
Under 20 years	9.8	6.7	17.3	13.2
20-29	47.8	49.3	37.8	45.5
30-39	27.5	23.2	11.0	15.4
40+	15.0	20.9	33.9	26.0
Average	29.8	31.1	33.2	31.6
Years of Education				
0-8 years	12.4	21.8	11.4	18.1
9-11	29.4	24.8	35.1	33.2
12+	58.3	53.4	53.5	48.7
Average	11.1	11.1	11.0	10.9
Number of Persons in Household in the Referral Month[a]				
1	28.9	24.8	35.1	27.9
2	21.0	22.4	32.3	27.9
3	21.3	21.1	14.4	20.3
4	11.7	15.8	8.9	10.1
5	8.8	6.9	4.6	5.5
6+	8.1	9.0	4.5	8.4
Average	2.8	3.0	2.4	2.7
Race				
White	71.3	71.1	67.8	62.2
Black	18.0	10.3	24.3	17.4
Other	9.0	11.9	6.0	14.1
Unknown	1.8	6.7	1.9	6.4
EXPERIENCE DURING THE BASELINE YEAR				
Average Monthly Household Food Stamp Allotment in Year Prior to the Referral Month[a]				
$0	40.8	49.8	29.6	45.2
1-70	44.9	39.2	57.5	41.4
71-140	8.5	4.0	8.0	6.1
141-210	3.6	4.5	3.5	4.1
211-280	1.7	1.6	1.0	0.4
281+	0.5	0.9	0.4	2.9
Average	31.31	27.96	36.85	36.49
Average Monthly Earnings in the Year Prior to the Referral Month[a]				
$0	20.5	21.6	47.0	36.4
1-100	11.4	16.0	13.1	12.4
101-200	8.2	5.5	10.8	4.1
201-300	8.6	7.6	9.9	16.1
301-400	5.8	7.0	4.6	8.9
401-500	8.6	9.1	5.4	5.9
501+	36.8	33.3	9.3	16.2
Average	546	536	149	233

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TABLE 5.1 (continued)

Characteristic	Males		Females	
	Demonstration	Comparison	Demonstration	Comparison
Percent Who Received Food Stamps Continuously	13.0	11.2	23.3	15.4
EXPERIENCE DURING THE POST-REFERRAL PERIOD				
Average Monthly Food Stamp Allotment in the Period After the Referral Month				
$0	25.9	20.6	19.4	10.8
1-70	55.6	60.4	59.5	63.6
71-140	10.6	9.7	15.4	13.9
141-210	5.1	6.6	2.7	6.3
211-280	2.1	1.2	2.5	2.9
281+	0.7	1.7	0.5	2.6
Average	47	53	49	62
Average Monthly Earnings in the Period After the Referral Month				
$0	20.5	31.7	48.9	49.0
1-100	10.6	8.2	15.4	14.1
101-200	9.8	5.2	8.3	4.5
201-300	7.6	7.7	7.1	9.2
301-400	5.5	4.3	5.9	3.0
401-500	6.8	3.8	4.5	6.2
501+	39.2	39.2	10.0	13.7
Average	541	505	149	167
Percent Who Stopped Receiving Food Stamps During Some Post-Referral Observation Month	80.5	77.3	70.3	60.5

NOTE: Tabulations are based on the responses of sample members to in-person and telephone interviews. Observations are weighted, so as to reflect individuals' different probabilities of sample selection.

[a] For individuals in the demonstration sites, the referral month is the month in which the individual was first referred to workfare. For individuals in the comparison sites, the referral month is the month in which a food stamp work-registration form was completed.

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Among females, a larger percentage of the demonstration sample had received food stamps and a lower percentage had received some earnings than was the case in the comparison sample. Seventy percent of the demonstration sample had received food stamps, compared with 55 percent of the comparison sample. However, because relatively more demonstration females had received smaller benefit amounts, the average benefits were quite similar for the two groups.

About 53 percent of the demonstration sample had received some earnings, and the average amount of earnings in the entire sample was $149. In contrast, nearly two-thirds of the comparison sample had received some earnings, and their average amount of earnings was $233. In addition, 23 percent of the demonstration females received food stamps continuously during the entire baseline year, compared with 15 percent of the comparison females.

Data pertaining to the period after referral to the workfare program suggest that substantial fractions of both demonstration and comparison groups held paid jobs after the referral month. Nearly 80 percent of the males in the demonstration group, 70 percent of the males in the comparison group, and half of the females in both groups received some earnings from paid jobs during the period after referral. Similarly, high proportions stopped receiving food stamps at some time during the postreferral period.

As shown in Table 5.2, some rather striking differences exist between demonstration participants who worked in a workfare job and those who did not. Among both males and females, workfare participants who worked in a workfare job tended to be older, to have received lower earnings and larger food stamp benefits in both the pre- and post-reference periods, to be more likely to have received food stamp benefits continuously during the year prior to their referral, and to be less likely to have stopped receiving food stamps during the postreferral period. These data strongly suggest that the most disadvantaged workfare participants tended to remain active in the program long enough to work in a workfare job.

5.3 ESTIMATED IMPACTS

In this section we present our empirical estimates of the impacts of the demonstration. The discussion begins with the basic estimates of the impacts, which are based on regression-adjusted average differences in changes over time in the food stamp receipt by and employment of demonstration and comparison samples. These estimates indicate that workfare generated substantial reductions in food stamp receipt among both males and females. The

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TABLE 5.2

CHARACTERISTICS AND EXPERIENCE OF PARTICIPANTS
IN THE INTERVIEW SAMPLE BY WORKFARE JOB STATUS
(Percent and Average)

Characteristic	Males: Worked in Workfare Job	Males: Did Not Work in Workfare Job	Females: Worked in Workfare Job	Females: Did Not Work in Workfare Job
PERSONAL CHARACTERISTICS				
Age at Referral				
Under 20 years	7.6	10.2	6.3	20.5
20-29	38.1	49.9	30.4	40.0
30-39	24.0	28.2	17.3	9.2
40+	30.2	11.6	46.1	30.3
Average	34.37	28.84	38.03	31.75
Years of Education				
0-8 years	18.9	10.9	18.0	9.3
9-11	22.6	30.9	30.2	36.6
12+	58.5	58.2	51.7	54.1
Average	11.1	11.1	10.7	11.1
Number of Persons in the Household in the Referral Month[a]				
1	31.9	28.2	30.6	36.4
2	22.5	20.7	36.6	31.0
3	18.2	22.0	11.8	15.2
4	11.9	11.7	7.8	9.2
5	4.1	9.9	7.2	3.9
6+	11.4	7.6	5.1	4.3
Average	2.8	2.8	2.5	2.3
Race				
White	62.9	73.2	65.5	68.5
Black	22.2	17.0	20.1	25.5
Other	13.7	7.9	11.0	4.5
Unknown	1.3	1.9	3.4	1.4
EXPERIENCE DURING THE BASELINE YEAR				
Average Monthly Household Food Stamp Allotment in Year Prior to the Referral Month[a]				
$0	32.7	42.6	30.7	29.3
1-70	48.7	44.1	50.9	59.4
71-140	14.0	7.3	10.7	7.2
141-210	3.1	3.7	3.7	3.4
211-280	0.9	1.9	3.1	0.4
281+	0.6	0.5	0.9	0.3
Average	37.29	30.03	45.98	34.18
Average Monthly Earnings in the Year Prior to the Referral Month				
$0	37.1	16.9	55.3	44.5
$1-100	14.9	10.6	15.6	12.4
$101-200	8.7	8.1	4.4	12.7
$201-300	6.6	9.1	12.4	9.2
$301-400	7.3	5.5	6.7	3.9
$401-500	3.8	9.6	1.0	6.6
$501+	21.7	40.2	4.5	10.7
Average	282	604	104	163

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TABLE 5.2 (continued)

Characteristic	Males: Worked in Workfare Job	Males: Did Not Work in Workfare Job	Females: Worked in Workfare Job	Females: Did Not Work in Workfare Job
Percent Who Received Food Stamps Continuously	20.2	11.4	27.2	22.1
EXPERIENCE DURING THE POST-REFERRAL PERIOD				
Average Monthly Food Stamp Allotment in the Period After the Referral Month				
$0	5.4	30.4	7.3	23.0
$1-70	64.3	53.7	57.7	60.1
$71-140	20.2	8.5	25.9	12.3
$141-210	6.4	4.8	5.3	1.9
$211-280	0.9	2.3	2.6	2.5
$281+	2.9	0.2	1.3	0.2
Average	69	42	75	41
Average Monthly Earnings in the Period After the Referral Month				
$0	29.5	18.5	57.6	46.3
$1-100	19.6	8.6	24.2	12.8
$101-200	17.6	8.1	6.1	9.0
$201-300	7.1	7.8	6.5	7.2
$301-400	4.7	5.7	3.4	6.6
$401-500	7.2	6.7	0.3	5.7
$501+	14.3	44.7	1.9	12.4
Average	218	613	63	174
Percentage Who Stopped Receiving Food Stamps at Some Time During the Period After the Referral Month	64.7	84.0	48.7	76.6

NOTE: Tabulations are based on the responses of sample members to in-person and telephone interviews. Observations are weighted, so as to reflect individuals' different probabilities of sample selection.

[a]For individuals in the demonstration sites, the referral month is the month in which the individual was first referred to workfare. For individuals in the comparison sites, the referral month is the month in which a food stamp work-registration form was completed.

estimated impacts on employment are positive for both males and females, but are not statistically significant for males.

In Section 5.3.2 we present the results of several sensitivity tests that are designed to determine whether the measured impacts appear to be sensitive to the key analytical choices that were necessary to perform the analysis. Although some individual point estimates change under alternative assumptions, the primary conclusions that are based on the basic estimates were not affected. We also examined the sensitivity of key results to possible patterns of differences between interview respondents and nonrespondents. The results for females appear to be quite robust, but our analysis suggests that conclusions about males might be affected by the nonresponse of large parts of the original sample.

Section 5.3.3 then examines in more detail the time pattern of demonstration/comparison-group differences in order to help assess whether the comparison group provides a satisfactory benchmark for measuring the impacts of workfare. This examination suggests that the male comparison group appears to provide a good control for the behavior of demonstration-site males. However, the baseline experience of comparison group females is somewhat different from the experience of demonstration females. In particular, the demonstration-group females had higher levels of food stamp receipt and lower levels of employment during the pre-reference period than did the comparison females.

In Section 5.3.4, we present separate estimates for subgroups defined by the extent of their workfare participation, and by whether the individuals ever worked during the pre-reference period. While these estimates do not represent unbiased estimates for the subgroups, the results do suggest that most of the demonstration impacts occurred because individuals who did not work in workfare found jobs or reduced their benefits for other reasons. In terms of the earlier discussion of incentive versus training effects, this result suggests that the impacts occurred primarily because of the incentive effects. Section 5.3.5 reports the impacts of the demonstration on wage rates. Finally, estimates for San Diego County are compared with those for all other sites in Section 5.3.6.

5.3.1 Average Estimated Impacts

Tables 5.3.A, 5.3.B, and 5.3.C show for males, females, and all participants, respectively, the average estimated impacts on the food stamp receipt by and employment of all individuals who were referred to workfare. The estimates are based on the regression-adjusted difference in the pre-

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TABLE 5.3.A

THE AVERAGE IMPACTS OF WORKFARE DURING THE FIRST SIX MONTHS AFTER REFERRAL: MALES

Outcome Measure	Estimates of Participants' Average Values Had They Not Been Referred To Workfare[a]	Estimated Impact During First Six Months After Referral	Estimated Percentage Change Due to Workfare
Percent of Months Receiving Food Stamps	52%	-11.7** (3.3)	-23%
Average Monthly Food Stamp Amount	$61.69	-$14.24** (6.08)	-23%
Percent of Months Working in Paid Jobs	53%	+6.5* (3.4)	+11%
Average Hours Per Month in Paid Jobs	72.54	+8.15 (5.75)	+11%
Average Earnings Per Month in Paid Jobs	$508.24	+$32.93 (47.67)	+6%

NOTE: Figures in parentheses are standard errors of the impact estimates.

[a] Estimates of what the participant values would have been in the absence of workfare are computed as the weighted mean post-period value for the demonstration group minus the estimated net impact.

*Statistically significant at the 90 percent level, two-tailed test.
**Statistically significant at the 95 percent level, two-tailed test.

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TABLE 5.3.B

THE AVERAGE IMPACTS OF WORKFARE DURING THE FIRST SIX MONTHS AFTER REFERRAL: FEMALES

Outcome Measure	Estimates of Participants' Average Values Had They Not Been Referred To Workfare[a]	Estimated Impact During First Six Months After Referral	Estimated Percentage Change Due to Workfare
Percent of Months Receiving Food Stamps	70%	-20.2** (4.1)	-29%
Average Monthly Food Stamp Amount	$67.74	-$18.84** (7.35)	-28%
Percent of Months Working in Paid Jobs	25%	+9.1** (3.9)	+36%
Average Hours Per Month in Paid Jobs	30.02	+10.66* (5.72)	+36%
Average Earnings Per Month in Paid Jobs	$98.08	+$50.35* (27.10)	+51%

NOTE: Figures in parentheses are standard errors of the impact estimates.

[a] Estimates of what the participant values would have been in the absence of workfare are computed as the weighted mean post-period value for the demonstration group minus the estimated net impact.

*Statistically significant at the 90 percent level, two-tailed test.
**Statistically significant at the 95 percent level, two-tailed test.

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TABLE 5.3.C

THE AVERAGE IMPACTS OF WORKFARE DURING THE FIRST SIX MONTHS AFTER REFERRAL: TOTAL[a]

Outcome Measure	Estimates of Participants' Average Values Had They Not Been Referred To Workfare[b]	Estimated Impact During First Six Months After Referral	Estimated Percentage Change Due to Workfare
Percent of Months Receiving Food Stamps	58%	-14.4** (2.7)	-26%
Average Monthly Food Stamp Amount	$63.62	-$15.71** (4.75)	-25%
Percent of Months Working in Paid Jobs	44%	+7.3** (2.6)	18%
Average Hours Per Month in Paid Jobs	58.93	+8.96 (5.19)	15%
Average Earnings Per Month in Paid Jobs	$376.99	$38.50 (36.20)	10%

NOTE: Figures in parentheses are standard errors of the impact estimates.

[a] Totals are a weighted sum of corresponding figures for the male and female subgroups. Weights are percentages of males (.68) and females (.32) in the group who were first referred to workfare in March-April 1981.

*Statistically significant at the 90 percent level, two-tailed test.
**Statistically significant at the 95 percent level, two-tailed test.

to post-referral period means of demonstration and comparison-group sample members.[1] Each table shows (1) what the estimated average value of the outcome variable would have been during the first six months after referral had the demonstration sample not participated in workfare, (2) the average estimated impact over the first 6 post-referral months, and (3) the impact as a percentage of what the outcome would have been in the absence of the demonstration.

The estimates indicate that workfare reduced food stamp receipt substantially. The percentage of time in which males received food stamps during the first six months after the referral month was reduced by 12 percentage points, or by about 3 weeks. The percentage of months in which females received food stamps was reduced by 20 percentage points, or by about 5 weeks. The relative decline was also larger for females (29 percent) than for males (23 percent). The average monthly benefit amount during the six post-reference months was reduced by an estimated $14.24 for males and $18.84 for females. Multiplying the average monthly benefit reductions by six, the estimated total benefit reductions over the six-month period were approximately $85 for males and $113 for females. In percentage terms, the benefit reductions are approximately the same as the reductions in the months of receipt.

It is interesting to note that most of the reduction in food stamp benefits appears to have occurred because cases left the food stamp caseload, rather than because the average benefit amounts paid to ongoing cases declined. The estimated average food stamp benefit savings per participant over the six-month period implies a total savings due to the demonstration on the order of $2.0 million.[2] The amount by which benefits were reduced by the imposition of sanctions was $445,000, or about 22 percent

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[1] As discussed in Section 5.2.2, separate impact estimates were obtained for individuals who worked in a workfare job, for those who were interviewed but never worked in a workfare job, and for all other referrals who were never assigned. These subgroup estimates were then weighted by the proportions of each subgroup in the cohort that was first referred to workfare in March-April 1981.

[2] Calculated as 28,000 participants * $16 per month * average post-reference months of follow-up (4.5) = $2.0 million. (The evaluation measured effects over 6 months, but under the one-year demonstration those referred after the middle of the demonstration were actually subject to less than 6 months of operative workfare.)

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of the estimated total benefit savings over the first six post-referral months.[1] Thus, actual sanctions probably accounted for a relatively small share of the estimated total benefit savings.

The estimated demonstration-comparison differences in employment and earnings are also substantial. Again, the differences are much larger for females than for males, in both relative and absolute terms. The average percentage of time that males worked in paid jobs is estimated to have increased by 6 percentage points (or by about 11 percent of the proportion of time that they would have worked in the absence of workfare), and hours worked increased by just over 8 hours per month (or by about 11 percent). The estimated impact on earnings is about $33 (or 6 percent). The estimated impact on the percentage of months working in paid jobs is statistically significant at the 90 percent confidence level. However, we cannot reject the hypothesis that the impact on hours or earnings is zero at the 90 percent confidence level.

Among females, the impact on the percentage of months employed is 9 percentage points, or a 36 percent increase in the time employed. The impact on hours worked is similar in relative terms, nearly 11 hours per month. These facts suggest that the new employment induced by the demonstration did not cause a change in the mix of full- and part-time work among those who were employed. The earnings gains are approximately $50 per month, or just over 50 percent. All three estimates are statistically significant at the 90 percent confidence level.

Also noteworthy are the relative magnitudes of the impacts on the percentage of months receiving food stamps and the percentage of months employed. In particular, the reduction in food stamp receipt is larger than the increase in employment, and this same pattern is evident for both males and females. This result strongly suggests that part of the reduction in food stamp receipt is associated with an increase in employment, but that part of the reduction occurs without any corresponding entry into a job.

To explore this question further, we investigated the relationship between job holding and food stamp receipt, and the impacts of workfare on both together. In particular, we computed "difference of difference" measures for the percentage of months in which sample members were (1) receiving food stamps and working, (2) receiving food

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[1] There were 5,316 persons sanctioned during the demonstration.

stamps and not working, (3) not receiving food stamps and working, and (4) not receiving food stamps and not working.[1]

This more detailed analysis confirms that for males just over half of the measured reduction in food stamp receipt were months in which the individual was employed, and just under half were months in which the individual was not employed.[2] Similarly, females worked in approximately half the months in which they were not receiving food stamps because of workfare, and not working in the other half.

Three points are important to assessing these results. First, the workfare sanctioning process led to some months in which sample member households were neither receiving food stamps nor working. Specifically, one-person households, which comprised over half of all participants, would receive no benefits in a sanction month. Since sanctions were collected only from active workfare cases, the sanctioned individual is also unlikely to have been working in a paid job in the sanction month. Second, some individuals may have chosen to withdraw from the Food Stamp Program. Indeed, it is important to bear in mind that it was not unusual for sample members to report that they were neither working nor receiving food stamps. Males reported that they were neither working nor receiving food stamps in nearly 30 percent of the pre-referral months; females

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[1] The tabulations were performed as follows. First, each person's job holding/food stamp receipt status was determined in each pre- and post-referral month for which there was data. The following four statuses are possible: (1) receiving food stamps and working in a paid job, (2) receiving food stamps and not working in a paid job, (3) not receiving food stamps and working in a paid job, and (4) not receiving food stamps and not working in a paid job. Second, for each sample member, the percentage of months in which the individual was in each status was computed separately for the pre- and post-referral periods. Third, pre- and post-referral period weighted means were computed for each of the four food stamp/job status variables and for demonstration and comparison samples, and the "difference of difference" impact estimates were formed. This procedure is similar to the one used to compute the basic impact estimates, except that sample weights, rather than regression adjustments, were used to account for sample stratification. As discussed further in the next section, the approaches yield very similar, but not identical, impact estimates. Detailed results of these supplementary tabulations are provided in Appendix Tables E.2.A through E.2.F.

[2] The total measured impact for food stamp receipt differs slightly from the basic estimate in Table 5.1.A because of slight differences in the method used to compute the estimate (see previous footnote).

reported the same in 35 percent of the pre-referral months. Furthermore, the figures were very similar for the demonstration and comparison samples for both the pre- and post-referral months. In the post-referral months, comparison site members were not working in 33 percent of the months in which they were not receiving food stamps, compared with 35 percent for the demonstration group members. Third, interview data used in the analysis do not provide a complete picture of household income. Sample members off food stamps without a job may reside with other earners or may have other sources of income. We are unable to determine whether individuals who were neither receiving food stamps nor working may have been supported by the earnings of spouses or other family members, or whether workfare may have affected the employment of these other household members.

5.3.2 Sensitivity Tests

The empirical implementation of the analysis plan required numerous analytical decisions that could have affected the measured differences between demonstration and comparison group changes over time. We performed several sensitivity tests in order to determine whether the results reported above were sensitive to the specific analytic assumptions used. These tests included the following:

- **Definition of Workfare Participant Subgroups.** The original sample design designated individuals as (1) having worked in a workfare job, (2) having been assigned but never having worked, and (3) "other," based on their experience up to the month of sample selection. Since some individuals could have worked or been interviewed after the sample month, it seemed more appropriate for purposes of measuring program impacts to define their workfare status on the basis of their experience in all months from referral onward. However, we examined the sensitivity of the estimates to this decision by also computing the estimates using the participant groups defined in the original sample design.

- **Alternative Summary Measures.** Several approaches for summarizing the data are possible. Our main results are based on monthly averages for individual sample members during the pre- and post-referral periods. However, one could pool the monthly data or examine monthly averages across individuals. We examined the effects that alternative ways to summarize the data had on the estimates.

- **Accounting for the Sample Design.** Individuals at demonstration sites had different probabilities of selection, based on the extent of their participation in the program. Comparison-group members were selected through a (nonrandom) matching process and were assigned the same weights as were their demonstration sample counterparts. Our main analysis does not depend on individual selection probabilities, yet it takes appropriate account of the sample design. However, we have also used the weights of individual sample members to compute simple (i.e., not regression-adjusted) weighted demonstration and comparison group means and formed the "difference of difference" measures.

- **Using an Expanded Set of Personal Characteristics as Regressors in the Regression Adjustment.** The regression adjustments that were used to compute the basic estimates included only those variables used to define the sample strata. Other variables may affect food stamp receipt and labor-market experience. If demonstration and comparison-group members differ according to these variables, and if the variables do affect outcomes, part of the measured difference in the basic results may reflect the influence of these omitted variables rather than the demonstration intervention. We thus estimated the impacts with models that included a more complete set of regressors which characterized the personal characteristics of sample members.

- **Controlling for Local Area Unemployment Rates.** A major concern with the comparison group design is whether differences in the employment opportunities available to Food Stamp Program work registrants in demonstration and comparison sites, rather than the effects of the workfare intervention itself, are responsible for the observed differences in postprogram food stamp receipt and employment. Data presented in Appendix G suggest that, despite small differences in the level of unemployment in the demonstration and comparison sites, changes over time were quite similar. Nevertheless, we also estimated a version of the impact model in which we included as a regressor the average level of unemployment in the site during the time period.

- **Estimating Overall Impacts as the Sum of Site-Specific Impacts.** All of the approaches described above consider all workfare participants to be the population about which we wish to draw inferences. An alternative perspective is to view the site as

the unit of analysis. Although sample sizes are not large enough to draw inferences about the impacts of workfare at specific sites, it is nevertheless useful to form site-specific estimates and then to compute the overall impact estimate as the weighted sum of site-specific estimates. A final set of sensitivity tests adopts this perspective.

Table 5.4 summarizes the results of the sensitivity tests.[1] The range of alternative point estimates is quite narrow for the percent of months receiving food stamps and the percent of months employed. The range is much larger for food stamp benefits and earnings, although this range differential is due in part to the greater variation in benefits and earnings. While the point estimates do vary somewhat, the sensitivity tests give us considerable confidence that the basic findings reported in the previous section--particularly those on food stamp receipt--are not merely artifacts of the key analytical assumptions used to conduct the analysis. The range of variation for the estimated impacts on male earnings underscores the greater uncertainty surrounding effects on earnings, uncertainty which is also apparent from the standard error of the basic impact estimate.

A second set of tests examined the sensitivity of our basic results to possible differences in the experience of interview respondents and the experience of nonrespondents (whom we could not observe). The response rates to the Wave 1 interview were 65 percent in the demonstration sites and 61 percent in the comparison sites. Response rates for males were lower than average--61 percent in the demonstration sites and 58 percent in the comparison sites--and response rates for females were higher--74 percent in the demonstration sites and 68 percent in the comparison sites. The response rates tend to differ among subgroups defined by type of site, household size, length of certification period, ethnic group, educational level, and age. However, in most cases, the response rates of specific subgroups are quite similar between the demonstration and comparison samples. (The relevant data are presented in Appendix Table A.8.) Furthermore, both the regression model and the weighted means implicitly control for differences in outcomes caused by these observed characteristics. Thus, these differences between the demonstration and comparison samples in terms of

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[1] A description of the computations and tables displaying the alternative estimates are contained in Appendix D.

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TABLE 5.4

RANGE OF ALTERNATIVE IMPACT ESTIMATES

Outcome Measure	Males: Basic Estimate[a]	Males: Range of Alternative Estimates[b]	Females: Basic Estimate[a]	Females: Range of Alternative Estimates[b]
Percent of Months Receiving Food Stamps	-12 (3)	-9 to -12	-20 (4)	-15 to -22
Average Monthly Food Stamp Amount	-$14.24 (6.08)	-$8 to -$16	-$18.84 (7.35)	-$17 to -$30
Percent of Months Working in Paid Job	6 (3)	5 to 8	9 (4)	5 to 11
Average Hours Per Month in Paid Jobs	8.15 (5.75)	7 to 10	10.66 (5.72)	5 to 13
Average Earnings Per Month	$32.93 (47.67)	-$1 to $42	$50.35 (27.10)	$24 to $58

[a] Source is Tables 5.3.A and 5.3.B. Figures in parentheses are standard errors.

[b] Detailed estimates are presented in Appendix Tables D.1 through D.4.

observed characteristics are unlikely to represent a problem.

However, despite the similarity of respondents and nonrespondents in terms of their measured characteristics, we are still concerned that the 40 percent of males and the 30 percent of females who were lost from the original sample could have had experiences that were different from the experiences of the individuals whom we observed. To examine whether the loss of nonrespondents from the sample might have affected our conclusions, we performed some simulations in which the experiences of nonrespondents were assumed to differ from those of respondents in ways that would have caused the measured impacts of workfare (based only on respondents) to be more favorable than the true impacts. If alternative assumptions about the experience of nonrespondents cause the impact estimates to vary only within a narrow range, it would increase our confidence that nonresponse bias did not affect the conclusions.

We examined the sensitivity of the basic estimated impacts on food stamp receipt to possible nonresponse bias through a simulation analysis. For purposes of the sensitivity test, assumptions that led to maximum bias, or the "worst case," were used. Comparison-group nonrespondents were assumed to have more pre-program receipt and less post-program receipt than do comparison group respondents. The "difference of difference" impact estimates were then computed by using the weighted averages of means for respondents and nonrespondents. The results suggest that the basic estimates for males are quite sensitive, but that those for females are less so.

For males, if we assume that demonstration nonrespondents receive food stamps for 10 percent fewer months than do respondents in the pre-referral period and for 10 percent more months in the post-referral period, and if we further assume that the comparison group receives food stamps for 10 percent more months in the pre-referral period and for 10 percent fewer months in the post-referral period than do comparison nonrespondents, the impact estimate would change from -10 percentage points (for respondents only) to -3 percentage points. Similar differences of 25 percent between respondents and nonrespondents would change the impact estimate to +15 percentage points. For females, similar calculations lead to estimates of -13 percentage points and -8 percentage points when differences of, respectively, 10 and 25 percent are used, compared with the estimate of -17 percentage points based only on respondents. Both the higher response rates and the larger measured impacts among the female group

contribute to the greater robustness of the basic finding that participation in workfare reduced food stamp receipt. In interpreting these comparisons, it is important to underscore the fact that the assumptions in our simulation lead to the worst possible bias: demonstration-site nonrespondents were assumed to have much larger increases in food stamp receipt than do demonstration-site respondents, and comparison-site nonrespondents were assumed to have a much smaller increase than do comparison-site respondents. However, we have not identified any factors that would generate the types of differences between demonstration and comparison nonrespondents that would cause serious bias. Thus, based on the simulation analysis, we conclude that nonresponse bias is unlikely to represent a problem for females. For males, however, because measured impacts are smaller and sample attrition is higher, we can place less confidence in the basic results.

5.3.3 Time Patterns of Demonstration and Comparison Group Differences

Thus far, the analysis suggests that workfare reduced food stamp receipt and increased employment. However, since the evaluation relies on a matched-comparison-group strategy rather than on random assignment to workfare and nonworkfare status, one must try to assess whether the observed differences are in fact attributable to the workfare intervention or are instead due to underlying differences between demonstration and comparison sample members which the analysis has not controlled for adequately. The basic question is whether the comparison group accurately depicts the experience of workfare participants had the latter not been referred to workfare.

One approach for addressing this important question is to examine the time patterns of food stamp receipt by and the employment of demonstration and comparison group members. If the time patterns of food stamp receipt and employment prior to referral are similar for the two groups and if divergence begins at the time when the policy intervention occurs, it will increase our confidence that the measured demonstration-comparison group differences are in fact due to the demonstration rather than to other factors.

Our discussion focuses on the time path of the percent who received food stamps each month in the demonstration and comparison samples.[1] The time paths are shown in Figure

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[1] We have selected food stamp receipt for discussion because key relationships are particularly clear, but similar patterns <u>are</u> apparent for employment and earnings. Appendix E provides the relevant data.

5.1 for males and in Figure 5.2 for females.[1] With respect to males, two features of the time patterns should be noted. First, the pre-referral-period time pattern is similar between the groups in terms of both the level of the time trend and the changes over time. Averaging the monthly pre-referral figures yields a mean of .32 for demonstration males and .30 for comparison males. In both groups, the percentage tends to increase gradually between the 12th and 3rd pre-referral months, and then to rise much more sharply beginning in the second month before the referral month.

A second important feature is that the time paths diverge immediately following the month of referral (the reference month). The percentage of the comparison group who were receiving food stamps continued to increase during the first post-referral month, while the demonstration group percentage declined. Thereafter, both groups followed a similar downward path, but with the demonstration group on a lower trajectory. There appears to be some evidence of a widening differential from the third post-referral month onward. The rate of decline moderated for both groups, but did so more slowly for the demonstration group.

The estimated average impact based on the monthly means is a reduction of 9 percentage points, because the pre-to-post change for the demonstration sample is an increase of 18 percentage points, while the corresponding increase for the comparison group is 27 percentage points.[2] For males, the similarity of the time paths of food stamp receipt by the two groups before the referral month and the divergence immediately following the referral month increase our confidence that the measured difference is due to the demonstration.

For females, the situation is quite different (see Figure 5.2). The demonstration females had considerably higher levels of food stamp receipt throughout the year prior to referral (averaging 45 percent, versus 36 percent for the comparison group). During that pre-referral year,

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[1] The percentage receiving food stamps does not reach 100 percent in the referral month because some new cases had applied but had not yet been certified at that time. In addition, the interview data involve some recall error.

[2] This "impact estimate" is the same as the one shown under variant 8 in Appendix D. It differs slightly from our basic estimate because the oversampling of participants who actually worked in a workfare job is ignored.

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FIGURE 5.1

Proportion Receiving Food Stamps
Males, Unweighted Data

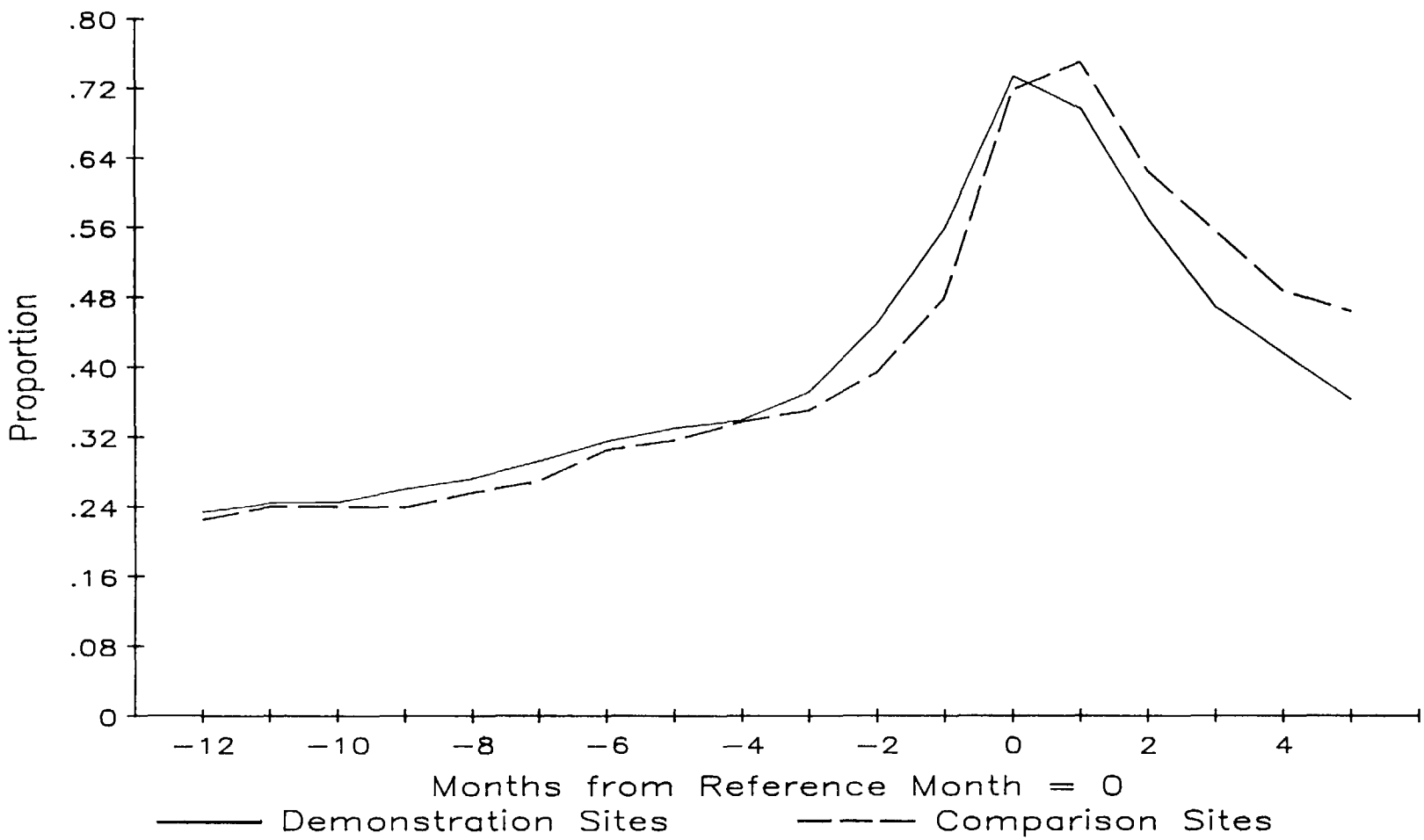
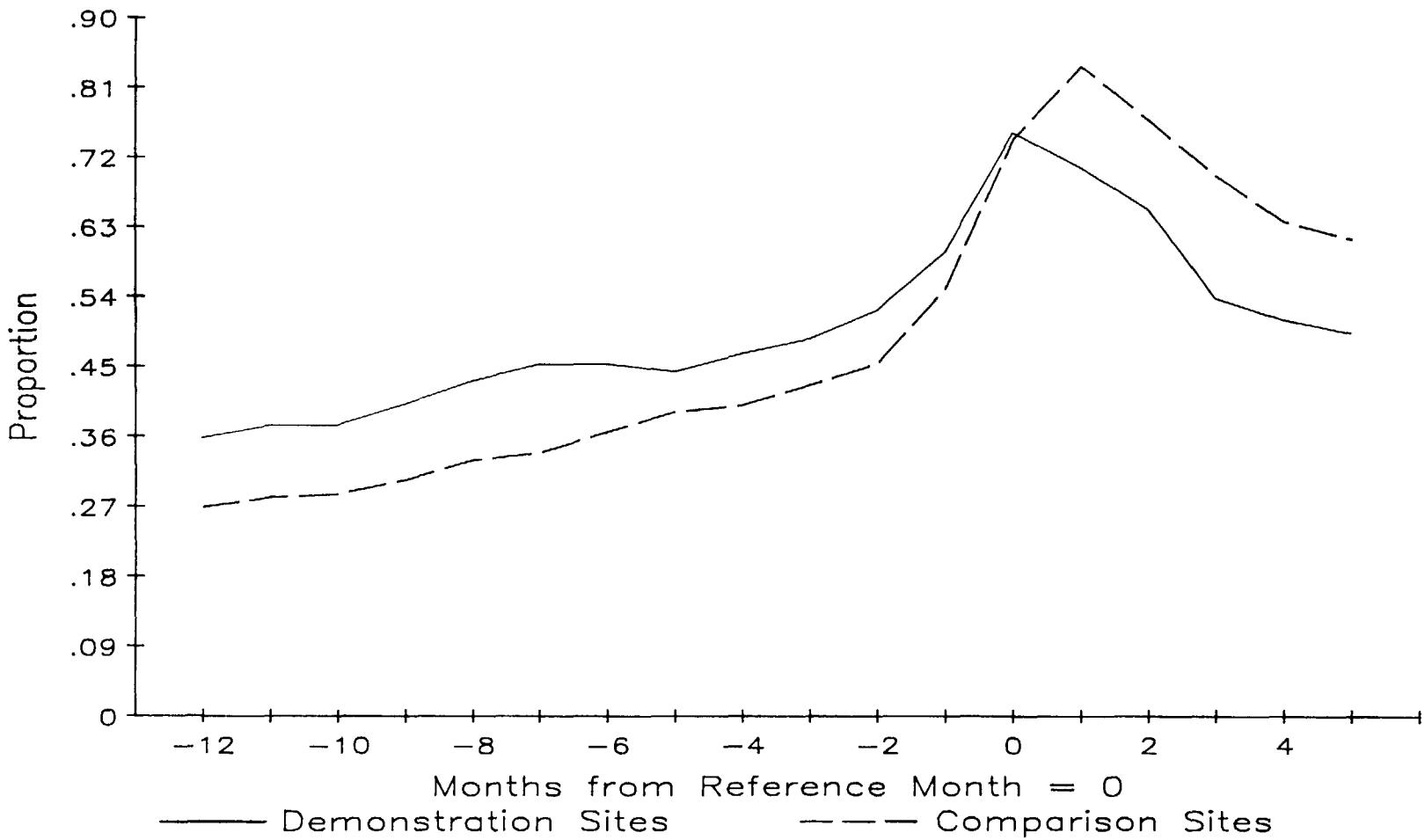


FIGURE 5.2

Proportion Receiving Food Stamps
Females, Unweighted Data



however, changes over time were quite similar, with the exception that the demonstration group was on a higher level. The percentages who were receiving food stamps were nearly identical in the referral month. However, in the month after referral, the percentage of comparison females who were receiving food stamps continued to increase, while the percentage in the demonstration sample declined sharply. This divergence creates a differential of about 13 percentage points, which persists thereafter, since both groups followed a similar downward trend. Thus, the total measured impact is approximately 22 percentage points, because the increase in the pre- to post-referral average of the demonstration sample is 12 percentage points, although on the basis of the comparison group experience a 34 percentage point increase would be predicted for them. In view of the similarity of the time paths and the abrupt departure from historical trends at the referral month, it seems likely that workfare did reduce food stamp receipt among females. However, the large differences in the pre-referral averages raise substantial uncertainties about the magnitude of the impact of workfare. The true impact could be larger or smaller than the measured impact.

5.3.4 Distinguishing Incentive Effects from Training Effects

In discussing the reasons that workfare might reduce food stamp receipt and increase employment, we draw a distinction between the "incentive" and the "training" effects of workfare (see Section 5.1.3). In this section, we examine the limited empirical evidence available on the relative importance of the incentive and training effects in explaining the large reduction in food stamp benefits caused by workfare.

Recall from our earlier discussion that the incentive effect refers to the fact that the workfare obligation might make receiving food stamps less attractive. The training effect refers to possible improvements in employment skills that might enhance the participant's opportunities to obtain and hold a paid job. We attempt to distinguish between the two effects empirically by comparing the outcomes for groups which participated more and less extensively in workfare.

Training effects can logically occur only for persons who actually work in a workfare job; skill improvement cannot occur if individuals do not participate in skill-building activities. The potential incentive effect is likely to be the strongest among individuals who never worked in a workfare job.

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This discussion suggests that, in principle, one could estimate the effects of workfare separately for the sample members who held workfare jobs and for those who did not, and interpret these separate estimates as the training and incentive effects, respectively. Unfortunately, unbiased impact estimates are difficult to obtain for the separate participant subgroups. The major obstacle is that participants in workfare jobs may differ from nonparticipants in terms of unmeasured characteristics that also affect food stamp receipt and employment. For example, it might be the case that individuals who fail to find jobs during the 30-day job-search period are less capable or less motivated than otherwise similar individuals who do find paid jobs and thus do not work in a workfare job. If so, the effects of these (unmeasured) personal attributes cannot be distinguished from the effects of the job-site experience.

In the present analysis, we examined differences among participant subgroups without attempting to determine whether the observed differences between the group who worked in workfare jobs and the group who did not are attributable to the training effect or, instead, to the type of persons who worked in a workfare job.[1] Nevertheless, the pattern of observed subgroup differences relative to the overall impact of workfare does point to some tentative conclusions.

We first compare the measured differences among participant subgroups for the entire analysis sample. Table 5.5 reports the measured differences in changes in the percentage of months in which food stamp benefits were received and the percentage of months in which sample members were employed, separately by participation type. As shown in the table, those who never worked in a workfare job dominate the overall impact results, both because they comprise a large majority of the workfare group (80 percent of the males and 73 percent of the

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[1] Obtaining unbiased estimates in this situation requires modeling the decision of participants to work or not to work in a workfare job jointly with the outcome variables, using procedures developed by Heckman and others. Identifying such models statistically is often a problem in practice because one must either specify variables that affect the participation status decision but do not affect the outcome of interest (e.g., employment or food stamp receipt) or rely on the nonlinear functional form of the participation model to distinguish it statistically from the (linear) outcome model. Moreover, using such a model does not normally make it possible to ensure that all of the bias has been eliminated.

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TABLE 5.5

DIFFERENCES IN CHANGES OVER
TIME FOR SELECTED PARTICIPANT SUBGROUPS

Outcome Measure	Total Sample			
	Worked in Workfare Job	Assigned but Never Worked in Workfare Job	Never Assigned	Total
Males				
Percent of Months Receiving Food Stamps	+2	-13	-16	-12
Percent of Months Working in Paid Job	+2	+9	+7	+6
Percent of Cohort	(20)	(20)	(60)	(100)
Females				
Percent of Months Receiving Food Stamps	-9	-26	-24	-20
Percent of Months Working in Paid Job	+6	+15	+8	+9
Percent of Cohort	(27)	(21)	(52)	(100)

NOTE: Estimates for subgroups defined by participation status are based on regression-adjusted differences between each subgroup and all comparison-group members. Thus, they may not provide unbiased estimates of the impacts on subgroups.

Figures in parentheses are the proportion of the March-April 1981 cohort in each participation subgroup.

The unweighted number of cases are as follows: males who worked in workfare, 220; males who were assigned but never worked, 117; males who were never assigned, 266; male comparison group members, 383; females who worked in workfare, 158; females who were assigned but never worked, 61; females who were never assigned, 146; and female comparison group members, 224.

females) and because the changes over time are much larger for this group. This pattern suggests that the "incentive" effects are likely to have been important in terms of determining the overall impacts of the program, even after allowing for a potentially large upward bias in the impacts on food stamp receipt and a downward bias in employment (because only the least employable individuals held workfare jobs, and they are being compared with the entire comparison sample).

While the data in Table 5.5 strongly suggest that the incentive effect predominates, training effects may have occurred for some groups. The very short periods of actual work in workfare jobs, participants' reports of their experiences (see Chapter 4.3), and perceptions of site staff suggest that the important aspects of training may have been to expose to the workplace, rather than to enhance the specific job skills of, those individuals who had not recently worked. To address this possibility, we examined participant subgroup patterns, restricting the demonstration and comparison-group samples to individuals who had not worked in the year prior to referral.

Table 5.6 shows data by participant subgroup for individuals with no regular employment in the year prior to their referral to workfare.[1] Even among males without recent work experience, the group who never worked in a workfare job accounted for 70 percent of all referrals and exhibited considerably larger changes in food stamp receipt and employment. Thus, even for this group, the estimated 21 percent reduction in food stamp receipt appears to be due largely to the incentive effect. The estimated reduction in the food stamp receipt of females also appears to be attributed largely to those who never entered a workfare job.[2]

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[1] In addition to the problem of potential biases, sample sizes become extremely small (less than 100 for all groups being compared and less than 50 for individuals who were assigned but did not work). (See note to Table 5.6 for the sample size by subgroup.) Thus, these comparisons are only suggestive. However, it does appear that among this group (as among the entire sample) most of the measured impact can be attributed to individuals who never worked in a workfare job.

[2] We note, however, that estimates for both males and females who worked in a workfare job have the same sign as the estimates for those who never worked in workfare. While this result is suggestive of a training effect, the small samples and the potential bias make it impossible to draw firm conclusions that a training effect occurred.

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TABLE 5.6

DIFFERENCES IN CHANGES OVER TIME FOR INDIVIDUALS WHO NEVER WORKED DURING THE YEAR PRIOR TO REFERRAL, BY SELECTED PARTICIPANT SUBGROUPS

Outcome Measure	Worked in Workfare Job	Assigned but Never Worked in Workfare Job	Never Assigned	Total
Males				
Percent of Months Receiving Food Stamps	-9	-20	-30	-21
Percent of Months Working in Paid Job	+6	+21	+23	+17
Percent of Cohort	(31)	(22)	(48)	(100)
Females				
Percent of Months Receiving Food Stamps	-8	-30	-19	-18
Percent of Months Working in Paid Job	+3	+1	+4	+3
Percent of Cohort	(31)	(20)	(49)	(100)

NOTE: Estimates are based on participant and comparison-group members who never worked in a regular job during the year prior to their referral to workfare. Estimates for subgroups defined by participation status are based on regression-adjusted differences between each subgroup and all comparison-group members. Thus, they may not provide unbiased estimates of the impacts on subgroups.

Figures in parentheses are the proportion of the March-April 1981 cohort in each participation subgroup.

The unweighted number of cases are as follows: males who worked in workfare, 73; males who were assigned but never worked, 25; males who were never assigned, 51; male comparison group members, 97; females who worked in workfare, 93; females who were assigned but never worked, 27; females who were never assigned, 75; and female comparison group members, 94.

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In summary, the analysis of subgroups defined by participation status and previous work experience indicates that workfare achieved reductions in food stamp receipt and increases in employment primarily by altering the incentives facing recipients. While some site staff and participants thought that the workfare experience helped some individuals improve their employability and thus find paid jobs, our quantitative analysis is unable to confirm this perception.

5.3.5 The Impacts of Workfare on Wage Rates

Overall, workfare increased the employment and, to a lesser extent, the earnings of demonstration participants (although for males the increases in hours worked and earnings exhibit a large variance, so that we cannot reject the null hypothesis that the increases are zero) (see Tables 5.3.A through 5.3.C). Increases in earnings may occur either because individuals worked more hours (at the same or a lower wage rate) than they would have worked in the absence of the demonstration or because they earned more per hour. One potential outcome of workfare is to induce recipients to shorten their job search by accepting lower-paying jobs than they would have accepted in the absence of workfare. In this section, we investigate this possibility by comparing the hourly earnings of individuals who held jobs in both the pre- and post-referral periods.

Table 5.7 shows the mean and median hourly earnings for males and females who worked during both periods, by treatment group and pre- or post-referral period. Among demonstration-site males, mean hourly earnings were virtually the same during both periods, and they declined somewhat among the comparison males. The figures on median hourly earnings (which are less sensitive than means to a relatively few extreme values) portray a similar picture. Among females, the pre- and post-referral means and medians are also very similar (although the means and the medians move in opposite directions for demonstration and comparison group-members). Thus, the data on the hourly earnings of individuals who worked before and after the referral month do not indicate that workfare altered average wage rates or prompted participants to take lower-paying jobs than they had held before their referral to workfare.

5.3.6 Comparison of San Diego with All Other Sites

The workfare program implemented in San Diego differed from the workfare program of other sites in terms of one key program parameter. In all sites except San Diego, individuals who were eligible for workfare were permitted to search for work for 30 days before being required to

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TABLE 5.7

IMPACTS OF WORKFARE ON THE HOURLY EARNINGS
OF PARTICIPANTS WHO WERE EMPLOYED

	Males		Females	
	Demonstration Sites n=386	Comparison Sites n=230	Demonstration Sites n=110	Comparison Sites n=81
Mean				
Hourly Earnings of Workers Employed in Both the Pre- and Post-Referral Period				
Pre-referral period	6.09	7.78	4.48	5.05
	(.25)	(1.05)	(.68)	(.76)
Post-referral period	6.10	6.40	4.93	4.51
	(.24)	(.37)	(1.07)	(.43)
Change	+.01	-1.35	.45	-.54
Median				
Hourly Earnings of Workers Employed during Both the Pre- and Post-Referral Periods				
Pre-referral period	4.39	4.74	3.48	3.46
Post-referral period	4.41	4.60	3.44	3.50
Change	.02	-.14	-.04	+.04

NOTE: Figures are unweighted means of the average hourly earnings of each person who worked, regardless of the number of months worked.

Figures in parentheses are standard errors of the mean.

accept a workfare job. In San Diego, the job-search period was only 10 days. This variation in the basic model responded to concerns expressed by the first set of demonstration sites about the value of the initial job-search period. Furthermore, it makes the San Diego model more similar to current rules, under which a job-search period might not be assigned before assignment to a workfare job. Thus, it is of interest to compare the impacts of the San Diego program with those of the programs in the other sites.

However, it must be recognized that our ability to draw conclusions from these comparisons is limited by two sets of factors. First, the analysis samples for San Diego are relatively small. The estimates for San Diego presented below are based on 125 demonstration-site males and 71 comparison-site males and on 86 demonstration-site females and 46 comparison-site females. Such small samples tend to make the estimates unstable and imprecise. Second, San Diego differed from the other sites in terms of other factors that could influence the size of the impacts. For example, San Diego was the largest site, accounting, as we saw in Chapter 4, for 44 percent of all referrals during the 13-month period of the demonstration. Moreover, it was the only site located in a very large urban center. In addition, San Diego was one of two sites in the second set of demonstrations that had also participated in the first set of demonstrations.[1] Thus, San Diego staff had more extensive experience in operating the workfare program than did the staff at the other sites. Such differences in both labor market and programmatic factors could also have affected measured impacts. Consequently, comparisons must be interpreted cautiously.

Table 5.8 shows the estimated impacts for males and females in San Diego and in all other sites. For males, the estimated impacts on food stamp receipt (both months of receipt and the benefit amount) are somewhat smaller in San Diego than in the other sites.[2] Furthermore, the San Diego estimates are not significantly different from zero at conventional confidence levels. All of the estimated impacts on the employment-related outcome measures of San Diego males are negative rather than positive, as expected. In all other sites, employment-related impacts

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[1] Berkeley, South Carolina, was the other repeat site.

[2] Indeed, at conventional confidence levels, we fail to reject the null hypothesis that the differences between San Diego and the other sites are due to chance.

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TABLE 5.8

A COMPARISON BETWEEN THE ESTIMATED IMPACTS IN SAN DIEGO AND THE ESTIMATED IMPACTS IN ALL OTHER SITES[a]

Outcome Measure	Males		Females	
	San Diego	All Other Sites	San Diego	All Other Sites
Percent of Months Receiving Food Stamps	-9.7** (6.3)	-12.9** (3.8)	-27.5** (8.1)	-17.9** (4.7)
Average Monthly Food Stamp Amount	-$10.31 (11.63)	-$15.42** (7.12)	-$6.62 (14.32)	-$20.91** (8.36)
Percent of Months Working in Paid Job	-5.0 (6.6)	9.3**[b] (4.0)	28.4** (7.7)	3.5[b] (4.5)
Average Hours Per Month in Paid Jobs	-4.0 (11.1)	11.5* (6.8)	32.4** (11.2)	4.76[b] (6.5)
Average Earnings Per Month in Paid Jobs	-$20.55 (91.86)	$50.79 (56.23)	$168.90** (52.96)	$18.53[b] (30.89)

[a] [illegible] pooled. Impacts for San Diego are estimated by comparing the regression-adjusted pre- to post-period changes for this demonstration site and its comparison site. Impacts for all other sites are estimated by comparing the regression-adjusted pre- to post-period changes for these other sites and their comparison sites. In both cases, the demonstration and comparison-group means are based on appropriately weighted participant subgroup means (see Section 5.2.3).

[b] Estimated difference between San Diego and all other sites is statistically significant at the 90 percent confidence level or higher.

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are positive, and with the exception of earnings the estimates are statistically significant. For males, with the exception of the percent of months working, the differences between the point estimates for San Diego and those for the other sites could be due to sampling error rather than to underlying differences in terms of the effectiveness of the program.

For females, the impacts on food stamp receipt show somewhat larger reductions in San Diego than elsewhere, but the impacts on the benefit amount are smaller and very imprecisely measured. However, the impacts on the employment and earnings of females are large and positive in San Diego but small in other sites. Indeed, all of the differences between San Diego and the other sites in terms of the impacts of the program on employment-related outcomes are statistically significant for the female group.

In summary, for both males and females, the impacts on food stamp receipt are quite similar in San Diego and all other sites, and both are similar to the basic estimates of impacts on food stamp receipt in Tables 5.3.A and 5.3.B. This similarity suggests that the basic results on food stamp receipt are not dominated by the large San Diego site.

The similarity of "all other sites" in terms of male employment in Table 5.3.A provides similar support for the basic findings on male employment. In contrast, the overall estimated impacts on the employment and earnings of females (presented in Table 5.3.B) appear to be influenced heavily by the San Diego sample. However, since the results are not consistent between males and females, it is difficult to draw any firm conclusions from these differences between San Diego and all other sites. They could be due to some combination of differences in the effectiveness of the workfare program for females, to variations in the labor market conditions, to chance, or to the influence of other factors.[1]

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[1] The available evidence on the effects of labor market differences is inconclusive. First, data do not indicate that labor market differences are responsible for the differences between San Diego and all other sites. A comparison of the unemployment rates in San Diego and Orange County suggests that the labor market opportunities were similar in both locations (although unemployment rates were slightly higher in San Diego) and that they followed similar trends (see Table G.3). Furthermore, when the unemployment rate was included in the regression model that was used to estimate the impacts of the program on females, the unemployment rate

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The fact that the positive employment impacts for females which are reported in Table 5.3 depend heavily on one large site does suggest that these findings should be interpreted cautiously.

5.4 SUMMARY AND CONCLUSIONS

The following highlight the primary findings of our impact analysis.

- The estimated total food stamp benefit savings at the 14 demonstration sites was approximately $2.0 million. This amounts to 25 percent of the benefits that would have been paid to workfare participants had they not been referred to workfare. The impact is due primarily to shorter periods of food stamp receipt. Approximately 20 percent of the benefit savings can be attributed to the imposition of sanctions.

- The results differ somewhat for males and females. For males, our estimates imply that, during the first six months after their referral to the program, their period of benefit receipt declined by an average of 3 weeks, and benefits per participant declined by an average of $85. The average gain in weeks employed in paid jobs was approximately half as large as the average reduction in the period of food stamp receipt. Estimates of the impact both on the average number of hours worked and on earnings were positive, but not statistically significant.

- Among females, reductions in the period of food stamp receipt were somewhat larger than for males. During the first six months after their referral, females received benefits for five weeks less than they would have in the absence of workfare, and received approximately $113 less in total benefits. As with males, increases in the number of months in which females were employed were smaller than the reduction in the number of

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variable was not statistically significant, and the point estimates of impacts were unaffected (see Appendix D). While this provides no evidence that labor market differences are the cause of the differences in the impacts between females in San Diego and those elsewhere, it is not conclusive evidence that no such problem existed. For instance, local area unemployment rates may not capture differences in the job opportunities of low-income women.

months in which females received food stamps. In contrast to the males, impacts on the average hours of work and earnings of females were statistically significant (at the 90 percent confidence level) although, as we discuss below, this latter finding depends heavily on the San Diego site.

- Further analysis attempted to determine the reasons that workfare reduced food stamp receipt and increased employment. Did workfare alter participants' incentives to find paid work or otherwise to reduce their food stamp receipt, or did the work experience also enhance their ability to find and hold paid jobs? The analysis indicates that altered incentives, rather than improved employment skills, were the major reason for the impacts. Because relatively few participants (20 percent) actually worked in workfare jobs (and, thus, could potentially have benefited from the work experience), this finding is not surprising.

- The greater effect of workfare on food stamp receipt than on employment prompted a further exploration of the relationship between these two outcomes. This analysis indicated that for both males and females just over half of the months of reduced food stamp receipt were months in which the individual was unemployed. To place these figures into perspective, it is important to note that being off food stamps without a job was not unusual, even before workfare. For example, the comparison group was not working in approximately one-third of the months in which they were off food stamps, a relationship that existed during both the prereferral and postreferral periods.

  Several factors may explain why some individuals stopped receiving food stamps even though they did not have a job. First, food stamp participants may have stopped receiving food stamps because of income from sources other than their own earnings, such as the income of other household members. Second, the workfare sanction process would have caused one-person households to stop receiving food stamps in the month in which the sanction was collected. Third, some individuals may have remained eligible but chose not to receive food stamps because they did not want to comply with the workfare requirements.

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- A comparison of the wage rates of individuals who worked both before and after the month of their referral to workfare indicates that workfare had no impact on wage rates. Thus, there is no evidence that workfare generated an increase in wage rates, nor did workfare induce participants to accept lower-paying jobs.

Several supplementary analyses were conducted to determine whether the main results were sensitive to decisions about how the primary analyses should have been conducted. Four basic conclusions emerged. First, the experience of the comparison-group members appeared to provide a generally satisfactory benchmark against which the experience of the demonstration participants could be compared. For males, both trends over time and the average level of food stamp benefits were similar among demonstration and comparison samples prior to their referral to workfare, and diverged shortly after referral. Female demonstration sample members received higher average levels of benefits during the baseline period than did female comparison group members, but trends were similar over the baseline period and diverged sharply at the time of their referral to workfare. Second, the results did not change substantially when different statistical models were used to estimate the impacts. Third, it appears unlikely that the loss of some sample members due to survey nonresponse affected the broad conclusions of the analysis. And, fourth, the food stamp savings for San Diego (which served over 40 percent of the demonstration participants) are broadly similar to those for all the other sites taken together. Moreover, the estimated impacts on employment are quite similar for males in San Diego and in the other sites. However, the employment estimates are large and positive for San Diego females, but small and not statistically significant for females in all other sites.

The similarity of the results from supplementary analyses using different estimation procedures increases our confidence that workfare reduced food stamp benefits. However, these supplementary analyses suggest that the exact magnitude of the true effect could differ from those reported herein. Moreover, less confidence can be placed in the estimated employment impacts.

An important question to be considered in assessing the estimated average impacts of workfare is whether they appear to be plausible. In particular, is it reasonable to conclude that a workfare program could have reduced benefits and increased employment when only 20 percent of

those who were referred actually worked, and when those who did work averaged only 30 hours per month?

Two factors may have combined to cause reductions in food stamp receipt and increases in employment among individuals who were referred to workfare. First, the program established clear, unambiguous work requirements and enforced them effectively. This was in marked contrast to the conventional Food Stamp work-registration as it was generally operated at the time of the demonstration. Second, members of the target group were employable. (Eighty percent of the males and half of the females had worked in paid employment during the year prior to their referral.) Thus, it seems plausible that, when faced with a requirement to work at or below the minimum wage in a workfare job, a significant fraction of employable individuals would opt to leave the Food Stamp Program sooner than they would otherwise.

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6. ADMINISTRATIVE COSTS AND BENEFIT-COST ANALYSIS

This chapter examines the costs of operating the Workfare Demonstration and compares these operating costs with measures of program effectiveness. The following are addressed:

- The total operating costs of workfare in the demonstration sites
- The costs of specific activities in the workfare process
- The costs of operating workfare per participant
- The factors that affected the costs of the workfare process
- Program costs relative to program benefits

The first section of the chapter describes the methodology and data sources used to develop the cost estimates. The second section presents estimates of the overall costs of the demonstration, the costs of individual program activities, and the costs per participant, and compares these costs among the sites. The third section then compares the average costs per participant with the average benefits.

6.1 COST OF WORKFARE PROGRAM OPERATIONS: METHODOLOGY AND DATA SOURCES

The total cost of operating workfare consists of two components: the cost of providing direct services to individual participants, and the indirect costs associated with operating the workfare site, but which cannot be assigned to any one participant. Direct services include referral to the workfare jobs component, the subsequent interview, assignment to a workfare job site, and follow-up for noncompliance. Indirect costs include such items as job-site development, staff meetings, training, preparation of reports, and public relations activities, as well as "down time" for coffee breaks and nonproductive activities. Time spent on evaluation-related activities was not included in the administrative costs of workfare.

Two approaches were used to estimate administrative costs. The first approach entailed estimating total costs by asking program managers to estimate the total staff time devoted to workfare (the percent of time for each staff member involved), the salaries and fringe benefits of

staff, and overhead expenses (rent, utilities, facility supplies, staff supervision, etc.). Staff time and wage and salary costs as of the end of March 1981 were recorded on a Workfare Cost Analysis form sent to each site. Costs in other months of project operations were assumed to be the same as in March 1981. Overhead-cost and fringe-benefit data for fiscal year 1980 were collected on forms entitled Computation of Overhead Factor.[1] These data were obtained separately from the jobs component and the FSA at each demonstration site.[2]

The second approach entailed estimating the cost of serving specific individuals, allowing the cost to vary according to the frequency and the nature of the services that were actually provided. Individual workers were asked to estimate the average time required to perform specific workfare-related tasks or direct services; cost estimates for each participant were then "built up" on the basis of these activity-time estimates and the number of occurrences of each activity. Computing the average costs per participant under this approach required four pieces of information: (1) the average staff time per occurrence of each activity, (2) the number of times that each activity occurred, (3) the average amount of indirect service time per person per month, and (4) the cost per minute of staff time. The source for each is described as follows.

Average Time Per Occurrence of Each Direct Service Activity. As shown in Table 6.1, twelve major activities were identified, and a list of subtasks involved in their completion was developed. The subtasks performed by FSA and jobs-component staff were listed on separate Workfare Administrative Activities forms.[3] These forms were distributed to appropriate staff at each site, who then furnished estimates of how frequently they performed each subtask and how much time they devoted, on average, to perform each subtask. Weighted average times to complete the subtasks at each site were computed in a manner that gave more weight to the time estimates of persons who performed a given task more frequently.

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[1] If the site had an established indirect-cost rate which covered the overhead expense items, that rate was used. Otherwise, a rate was constructed from FY-1980 data. Of course, this assumes that the 1980 and 1981 overhead rates were the same.

[2] Samples of these forms are included in Appendix F.

[3] Samples of each form are provided in Appendix F.

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TABLE 6.1

WORKFARE ACTIVITIES CONSIDERED IN THE ADMINISTRATIVE COST ANALYSIS

Workfare Activity	Description	Staff Involved: FSA	Staff Involved: Jobs Component
Referral	Determine eligibility for workfare	X	X
Call-in	Initiate call-in procedure for assignment interview		X
Interview	Explain workfare program and assess participant background		X
Failure to show	Attempt to contact participant and notify the FSA		X
Assignment	Assign participant to a site		X
Assignment, no work	Attempt to contact participant and notify the FSA		X
Assignment, not completed	Investigate noncompliance and notify the FSA		X
Cause determination	Ascertain cause for non-compliance	X	
Adverse actions	Inform participants of impending action for noncompliance	X	
Sanctions applied	Apply workfare sanction	X	
Terminations	Notify jobs component of participant termination	X	

Number of Occurrences of Each Activity. The number of occurrences of each major activity was obtained from the Workfare MIS.

Total Cost per Minute of Staff Time. The total cost of staff time consisted of salary costs, fringe-benefit costs, and overhead costs. Salary costs per minute were obtained by dividing monthly salaries by the number of minutes in the work month. Fringe factors were computed by dividing total fringe-benefit costs by total salaries. An overhead-cost factor was computed by dividing overhead costs by total salaries. The total cost per minute of staff time equals the salary cost per minute multiplied by the fringe and overhead factors.

Indirect Service Time per Person per Month. To estimate the costs of indirect activities and to allocate them across all participants, jobs-component staff were asked to estimate the percentage of the total time they devoted to workfare processing tasks not related to the evaluation. This percentage, multiplied by the staff member's salary, fringe-benefit factor, and the agency overhead-cost factor, yielded a ceiling amount which was the cost to workfare of that staff member's time, regardless of how much or how little direct service was provided. The total of the ceiling amounts for all staff members, minus the cost of the time devoted to direct service delivery, yielded a "residual," or indirect, cost to be allocated across all active participants. In general, the residual cost included only the time of the jobs-component staff. The residual time costs of food stamp eligibility workers were not billed to workfare. It should also be noted that because indirect costs are estimated as residuals they reflect both the cumulative net effect of errors in the time estimates for individual direct service activities and the indirect service activities that they are intended to measure.

Because the number of active participants changed from month to month, as did the types of direct service activities, the residual per person differed from month to month. To represent such differences, we counted in each site for each month both the number of each of the 12 tasks that occurred in a given month and the number of participants who were either active in workfare or had had some action taken on their case in that month. The direct costs of jobs-component staff actions were summed and subtracted from the ceiling amounts. The remaining amount was divided by the number of participants in the system in that month to produce a residual per person, which varied from month to month.

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The cost for each participant is the cost of direct service activities (equal to the sum across all 12 activities of the average staff time per occurrence multiplied by staff costs per minute and the number of occurrences of each activity) plus the cost of indirect service time (equal to the sum of residual time per case multiplied by salary costs per minute during each month in which a direct service activity was performed for the person).[1]

6.2 THE ADMINISTRATIVE COST OF WORKFARE

Table 6.2 provides an overview of workfare operating costs, caseload sizes, staffing, and staffing costs. The average monthly operating costs ranged from over $62,000 in San Diego County to $1,000 in Lonoke County, Arkansas. Of course, the average number of cases active in the program each month exhibited a similar range of variation. San Diego had nearly 3,200 active cases per month, while Lonoke County and Montgomery County, Maryland, each had about 60 cases per month.

6.2.1 Average Monthly Cost of Workfare

With two exceptions (Montgomery County and Utah County, Utah), average monthly costs were higher at sites with larger caseloads, such as San Diego County and Pinellas County, Florida.

Monthly costs per active case ranged from nearly $58 in Montgomery County to about $7.50 in Greenville County, South Carolina, and Tazewell County, Virginia. Three other localities experienced costs per case month in the $20 to $30 range, while the costs of the remaining 8 counties fell in the $10 to $20 range. A clear inverse relationship existed between program size and the monthly costs per

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[1] This second approach facilitated tabulating several other interesting measures in addition to costs per participant. The following measures are presented in the appendix tables:

- The average number of minutes for each direct service activity, by site (available directly from the weighted average of work-activity-time estimates)--Appendix Table E.4.
- The unit cost of each direct service activity (computed as activity-time estimates times staff costs per minute)--Appendix Table E.5.
- The average number of minutes per participant for each direct service activity, by site (computed as activity-time estimates times the number of occurrences of the activity divided by the number of participants)--Appendix Table E.6.

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TABLE 6.2

AVERAGE MONTHLY COST OF WORKFARE, STAFFING LEVELS, AND STAFF SALARIES

	Yuma	Lonoke	Sebastian/ Crawford	San Diego	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell
Average Monthly Cost of Workfare	$2,545	$1,053	$3,412	$62,558	$11,121[a]	$5,121	$3,353	$2,769[a]	$7,584	$2,078	$2,541	$3,350	$4,434	$3,535
Average Monthly Caseload	214.7	60.4	280.0	3,177.5	1,207.4[a]	507.3	58.3	96.0[a]	498.7	93.3	253.4	450.5	166.7	467.6
Average Cost per Case per Month	11.83	17.43	12.19	19.69	9.21	10.09	57.51	28.84	15.20	22.27	10.02	7.44	25.60	7.56
Rank by Size of Caseload	9	13	7	1	2	3	14	11	4	12	8	6	10	5
Rank by Cost per Case Month	9	6	8	5	12	10	1	2	7	4	11	14	3	13
Total Staff[c]	11	6	13	105	40 (39)[b]	24 (23)[b]	12	12 (9)[b]	23	7	9	11	12	11
Jobs Component Staff	3	1	3	26	8 (7)[b]	8 (7)[b]	3	6 (3)[b]	5	3	3	3	5	4
Average Monthly Salary Total Staff	$1,509	$1,521	$1,015	$1,357	$868	$928	$1,259	$1,698	$1,049	$1,129	$1,039	$1,122	$1,325	$1,107

[a] Based on 9 months--January through September 1981. These sites did not continue through December 1981.

[b] Some jobs-component staff devoted 100 percent of their time to evaluation tasks. The number in parentheses shows staff size with the exclusion of these staff members.

[c] Total staff includes jobs-component staff and only FSA employees who reported performing some workfare tasks.

active case: sites with smaller caseloads per month tended to experience higher costs per active case, and, conversely, larger sites experienced lower per-case costs. San Diego is an exception because, although it was by far the largest site, it ranked fifth in costs per case month.

The lower portion of the table shows the number of the staff (not FTEs) who performed some workfare tasks and their average salaries.[1] Monthly salaries ranged from about $900 in Pinellas County and Vanderburgh County, Indiana, to nearly $1,700 in Grand Rapids, Michigan. These average salary figures reflect both differences across sites in terms of the skill and experience levels of staff who operated workfare and differences in salaries paid to staff with a given level of skill and experience. Consequently, the figures must be interpreted cautiously.

As indicated in Section 6.1, the second approach to estimating costs allowed costs per participant to vary according to the frequency and nature of the direct services provided to each individual. The estimated average time devoted to completing each major activity and the incidence of that activity provide useful perspectives on the overall costs per participant (see Table 6.3).[2] The most frequent activities were cause determinations (including both "probable" and "final" cause determinations), which accounted for 19 percent of the total, and referrals, which accounted for 17 percent. Call-ins for interviews and work-site assignments together accounted for an additional 25 percent of all activity occurrences.

The average time required to perform each activity ranged from 40 minutes for a referral to just 8 minutes for an adverse-action notice and a termination.

It is interesting to examine the distribution of total direct service time among activities, which takes into account both the incidence of the activity and the average time devoted to completing the activity. Referrals are the major single item in this category, occupying just over one-third of direct service time, although cause determinations also consumed a major share of direct

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[1] Figures are simple averages of all staff who were involved in workfare. They are not weighted according to the proportion of time that an individual devoted to workfare.

[2] Appendix Tables E.3 and E.4 show, respectively, the number of occurrences and the average time for each activity by site.

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TABLE 6.3

INCIDENCE AND ESTIMATED AVERAGE TIME REQUIRED FOR DIRECT SERVICE ACTIVITIES, ALL SITES

Activity	Number of Occurrences[a]	Percent of Total Occurrences	Average Minutes per Activity[b]	Percent of Total Direct Service Time
Referral	37,476	16.9	40.7	34.6
Call-in	32,440	14.6	10.5	7.7
Interviews	14,021	6.3	16.8	5.3
Failure to Show	18,697	8.4	16.2	6.9
Assignment	22,841	10.3	17.9	9.3
Assignment, No Work	11,053	5.0	22.2	5.6
Assignment Completed	9,441	4.3	22.8	4.9
Assignment Not Completed	2,341	1.1	30.1	1.6
Cause Determination	41,718	18.8	18.2	17.2
Adverse Actions	14,446	6.5	8.1	2.7
Sanctions Applied	7,507	3.4	15.4	2.6
Terminations	10,336	4.7	7.5	1.8
Total Outcomes	222,317	100.0		
Number of Participants	28,384			

[a] The number of occurrences of each activity was obtained from the Workfare MIS file.

[b] The average amount of time taken to complete each activity was estimated from data from Workfare Administrative Activities forms.

service time (17 percent). Other individual activities each accounted for a small proportion of the total.

The group of activities associated with processing participants into workfare jobs (referral, call-in, interview, and assignment) consumed 57 percent of direct service staff time, and follow-up activities accounted for the remaining 43 percent.

It is also informative to compare the staff time required to serve individuals with varying patterns of participation. The average staff time devoted to a participant who complied fully and participated for one month was 116.20 minutes, or about 2 hours.[1]

The average staff time devoted to serving a client who was assigned to a workfare slot but did not show up and was subsequently sanctioned was somewhat higher, about 2 and a half hours.[2] Conversely, an individual who was referred but never called in (because, for example, he or she obtained a job) required only 40 minutes.

6.2.2 The Costs of Workfare per Participant

Table 6.4 displays data on the costs per participant by site. Over all sites, direct service costs were $28 per participant, and indirect costs were $20--for a total cost of just over $48 per participant. Direct service costs ranged from approximately $13 per participant in Greenville and Tazewell counties to nearly $40 in Grand Rapids and Lonoke County. Indirect services exhibit a much wider range of variation--from less than $1 per participant in Yuma, Arizona, to nearly $150 per participant in Montgomery County. The wide cross-site variations in indirect costs led to wide variations in total costs; moreover, in 5 of the 14 sites, indirect service costs exceeded direct service costs.

The lower section of Table 6.4 shows data on several factors that can be expected to affect direct, indirect, and total costs. The first is the average monthly caseload, which reflects the scale of operations. Although the scale of operations should not affect direct service costs (which depend on activity times and frequencies), it

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[1] Referral + Call-in + Interview + Assignment + Assignment Completed + Termination = 40.7 + 10.5 + 16.8 + 17.9 + 22.8 + 7.5 = 116.20 minutes.

[2] Referral + Call-in + Interview + Assignment + Assignment Nowork + Cause Determination + Adverse Action + Sanction Applied = 40.7 + 10.5 + 16.8 + 17.9 + 22.2 + 18.2 + 8.1 + 15.4 = 149.8 minutes.

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may have an impact on the indirect service costs of sites--for example, these costs may be lower in larger sites, because larger sizes should lead to greater supervisory and job-site development efficiency, thereby creating less down-time for the jobs-component staff. The data in Table 6.4 seem to confirm our expectations. Four of the 5 sites with 200 or fewer cases per month (Montgomery County, Grand Rapids, Nashua, and Utah County) experienced well-above-average indirect costs. With the exception of San Diego, all sites with more than 400 cases (Pinellas, Vanderburgh, Greene, Greenville, and Tazewell counties) experienced lower-than-average indirect costs, and indirect costs appeared to decline over the range above 400 cases per month.

Second, the turnover rate (defined as the number of new referrals as a percentage of total active cases) is expected to be positively related to direct service costs. Front-end referral activity is relatively time-consuming, and in sites that experience lower turnover rates the referral activity represents a smaller percentage of total direct service. Furthermore, greater turnover may also cause more time to be devoted to cause determinations, which are also relatively labor-intensive. The data in Table 6.4 indicate the expected positive relationship.

Four of the six sites with below-average turnover rates also exhibited below-average direct-service costs (Berkeley, Greenville, Utah, and Tazewell counties). Conversely, five of the seven sites with above-average turnover rates exhibited above-average direct-service costs (Yuma, Lonoke County, San Diego County, Grand Rapids, and Greene County).[1]

Finally, both the average number of minutes per participant and the average cost per staff minute are expected to exhibit a positive relationship with direct service costs. These relationships were confirmed by simple bivariate regressions of the minutes per participant on direct service costs and an average cost per staff minute on direct service costs.[2]

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[1] A simple bivariate regression of the turnover rate on direct service costs indicated a positive relationship that was statistically significant at the 80 percent confidence level.

[2] Both bivariate regressions were statistically significant at the 95 percent confidence level.

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6.3 COMPARISON OF WORKFARE BENEFITS AND COSTS

The benefits and costs of government programs can be compared from several perspectives. Our discussion examines the social and government-budget perspectives: the social perspective focuses on whether the program provides a net pay-off to society as a whole, ignoring any distributional issues; the government-budget perspective focuses on the outlay and revenue generated by administering government programs.

From the point of view of society as a whole, the costs are the value of resources used up by a program, and the benefits are the value of resources generated by the program. The primary social benefits of workfare are (1) the value of the increased postprogram output generated from having participated in workfare and (2) the value of output produced by participants specifically in their workfare jobs. The primary social costs of workfare are the costs of operating workfare and the costs borne directly by participants.

From the government-budget perspective, the primary benefits of workfare are (1) the reduced cost of food stamp allotments (because of fewer benefits), (2) increased tax payments (because of increased regular earnings), and (3) the reduced cost of administering the Food Stamp Program (because of shorter periods of food stamp receipt). The primary cost borne by the government is the cost of administering the workfare program.

We should note that our evaluation did not include all benefits and costs. First, it did not measure social attitudes. For instance, many persons believe that public-assistance recipients should be given the opportunity to return something of value to society. Some recipients endorse this view, others do not. No attempt has been made to quantify or value these benefits. Second, because benefits accruing from reductions in the use of other income-support programs were expected to be small, they, too, were not measured.

Finally, we should also note that our analysis of the benefits and cost from the government-budget perspective represents the consolidation of all three levels of government; no attempt is made to separate the benefits and costs to the federal government from those to state and local governmental units.[1]

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[1] In general, the federal government pays all food stamp benefit costs and half of the program administrative costs (including the costs of workfare). Tax payments associated with changes in earnings would be shared among the various governmental levels.

6.3.1 Estimated Benefits

Estimates of program benefits were obtained from the impact analysis in Chapter 5, the participant surveys, and other sources. The source for each is described below.

Reduced Cost of Food Stamp Allotments. The impact analysis in Chapter 5 indicates that workfare reduced food stamp benefits during the 6 months after referral to workfare. The reduced cost of benefits is estimated as the average monthly benefit reduction multiplied by 6.

Increased Tax Payments. If earnings increase consequently, the increase in tax payments by workfare participants would be a benefit to the government. To estimate this benefit, we applied the effective marginal tax rate to the estimated increase in earnings from workfare participation. As indicated in Chapter 5, the estimated earnings increase was $38.50 per month, or $231 over the 6 months after referral. Assuming an effective tax rate on earnings of 10 percent, the resulting increase in tax payments would be $23.[1]

Reduced Costs of Administering the Food Stamp Program. The estimated reduction in the administrative costs of the Food Stamp Program is based on (1) the estimated impacts of workfare on months of food stamp receipt and (2) external data on the administrative costs of the Food Stamp Program per case month. The estimated impact for the percent of time receiving food stamps was converted into an estimate of the reduction in active case months and multiplied by the cost per case. The administrative cost per month per case was derived from FNS data on 1981 caseloads and administrative costs for the 12 states that operated

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[1] The estimate of 10 percent is obtained as follows. Taxes on earnings include FICA plus federal, state, and local income taxes. An estimate of the effective rate of taxes on individual income was obtained from the study of Joseph Pechman, Who Paid the Taxes, 1966-1985 (Washington: The Brookings Institution, 1985). This study estimates effective tax rates by income class for 1980, under a variety of alternative assumptions about the incidence of various taxes. Under the most progressive assumptions about tax incidence (Pechman's Variant 1C) the effective rates of individuals' income taxes are 3.2 percent for families with adjusted gross income below $5,000 and 2.7 percent for families with adjusted gross incomes between $5,000 and $10,000. (See Table 4.9 of Pechman's study.) We have assumed that the effective rate of tax on individual incomes of workfare participants was 3 percent. In addition, earnings are subject to FICA at 6.65, for a total of 9.65 percent, which we have rounded to 10 percent. It should be noted that this estimate omits a variety of taxes that are paid by low-income households but which are not levied on income.

workfare projects. Average monthly administrative costs for 1981 (estimated as twice the federal cost) were divided by the monthly number of households for each state. The state's average costs per case were then weighted by the proportion of workfare referrals from that state. The estimated costs of conventional food stamp case-processing obtained in this way is $10.81 per case month.[1]

Value of Post-Referral Work. The value of post-referral work is the market price of paid work after the date of referral, which includes both regular earnings and fringe benefits. An estimate of the impact of workfare on earnings comes from the impact analysis. Respondents were instructed to include paid leave (sick leave, vacations, and paid holidays) in the earnings reported in the interviews, but not fringe benefits (employer expenditures for retirement plans, life insurance and health-benefit programs, and Unemployment Insurance).

Since food stamp recipients are likely to hold low-wage jobs in which fringe benefits are typically less generous than in better-paying jobs, we have assumed a minimum fringe-benefits package that contains only mandatory employer contributions for Social Security, Workers' Compensation, and Unemployment Insurance. This minimum package is 6.8 percent of total compensation, and 8.1 percent of earnings (including paid leave).[2]

If the earnings impact estimates in Chapter 5 and the fringe-benefit estimates are combined, the impact of workfare on total compensation per participant was $250. For males, the total amounted to $214; for females, it was $326.

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[1] This cost is an underestimate because (1) monthly costs are likely to be higher for cases with high turnover (e.g., workfare cases) and (2) in 1981 the federal share of certification costs for AFDC households was paid by HHS rather than FNS, although AFDC households were included in the total number of cases used to compute the average monthly costs.

[2] In 1977, the last year for which such data were collected by the Bureau of Labor Statistics, these categories of fringe benefits accounted for 15.8 percent of total compensation in the private, nonfarm sector, and 18.9 percent of earnings. See U.S. Department of Labor, Bureau of Labor Statistics, Employee Compensation in the Private Nonfarm Economy, 1977 Summary 80-5, U.S. Government Printing Office (Washington, D.C., 1980). However, the Bureau of Labor Statistics study dealt with all employees, regardless of wage/salary level.

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Value of Workfare Work. Another social benefit measured in the demonstration was the value of work performed in workfare jobs. Estimating the value of program output is more difficult than valuing the post-program output of paid jobs, because the value of output from paid (post-program) jobs can be estimated on the basis of earnings, which are market-determined. Conversely, because workfare involves no market transaction, the value of output cannot be observed directly. Thus, it is necessary to impute a value of participants' in-program output. The procedure used here is based on the number of hours worked in workfare jobs and on an imputed wage.

The number of hours actually worked by each participant were computed from the Workfare MIS. During the first six months following referral, all males who were referred to workfare during March and April 1981 worked in workfare for an average of 9.3 hours; females worked for an average of 13.5 hours.[1] Interviews with job-site supervisors indicated that they would value most of the hours worked by workfare participants at or slightly above the prevailing minimum wage. (Supervisors were responding to a question which asked them how much they would have been willing to pay had they hired the workfare participants to perform the work that the participant had performed in the program.[2])

Accordingly, the average number of hours was multiplied by the prevailing federal minimum wage of $3.35. The imputed value of fringe benefits was calculated as 8.1 percent of the product of hours times the minimum wage (see the above discussion on fringe benefits).

6.3.2 Estimated Costs

Administrative and Operating Costs of Workfare. The costs of operating workfare per participant were estimated for all workfare participants who were referred for the first time in March and April 1981. The estimates were based on activity-time estimates and the number of occurrences of

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[1]Averages include individuals who worked in workfare jobs and individuals who did not work. These figures differ slightly from comparable figures in Chapter 4 because the present figures pertain only to those who were referred in March and April 1981, whereas the earlier figures pertain to all referrals.

[2]Some supervisors may have perceived the minimum wage as a floor to their estimated values. In this circumstance, the estimates are biased upward.

each activity, as described in Section 6.1.[1] They are somewhat higher than average costs across all referrals because the earlier analyses included in the numerator persons who were referred late in the demonstration and whose participation was not tracked.

Participant Costs. Social costs also include costs which participants incurred because of their workfare participation. These costs include the cost of work clothing, transportation to/from job sites, the costs of child care, and similar items. The interview requested respondents to estimate such expenses for the last month of their workfare participation.[2] The average number of months in which all first-time referrals in March and April worked in workfare jobs was calculated (including those who never worked), and this average was multiplied by the average of all work-related expenses per month for those who worked at job sites as reported in the interviews. The resulting estimates of participant costs were $4.81 per male, $5.65 per female, and $5.08 for males and females combined.[3]

6.3.3 Comparison of Costs and Benefits

Table 6.5 summarizes the estimates of benefits and costs from the government budget perspective and the social perspective. In terms of the government perspective, reduced food stamp allotments were $94 overall, increased tax payments were $23, and reductions in Food Stamp Program administrative costs were $9--for a total benefit to the government budget of $126. Because administrative costs were $52, the estimated net benefit from the government's

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[1] Average costs per participant that were used in the benefit-cost analysis differ from those presented in Section 6.2 because the earlier estimates pertain to all participants, whereas those used in the benefit-cost analysis pertain to the March-April cohort.

[2] See Chapter 4. Respondents were also asked about their expenditures on lunch, but these costs were omitted from the work-expense computation.

[3] The average number of months worked during the six months after referral were .38 for males and .59 for females. The respective monthly costs were $12.67 and $9.58 for males and females. The figure for males and females combined is a weighted average of the males (.68) and females (.32).

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TABLE 6.5

COMPARISON OF THE BENEFITS AND COSTS OF WORKFARE
(First Six Months After Referral)

Benefit/Cost Item	Males	Females	All[a]
GOVERNMENT BUDGET PERSPECTIVE			
Benefits to Government Budget			
1. Reduced costs of food stamp allotments	$85	$113	$94
2. Increased tax payments (10 percent of earnings impact)	$20	$30	$23
3. Reduced costs of administering Food Stamp Program	$8	$13	$9
Costs to Government Budget			
1. Administrative and operating costs of workfare[b]	-$50	-$57	-$52
Net Taxpayer Benefits	$63	$99	$74
SOCIAL PERSPECTIVE			
Social Benefits			
1. Value of post-work-registration output[c] (earnings plus fringe benefits)	$214	$326	$250
2. Value of workfare work[c]	$34	$49	$39
Social Cost			
1. Administrative and operating costs of workfare[b]	-$50	-$57	-$52
2. Costs to participants[d]	-$6	-$5	-$6
Net Social Benefits	$192	$313	$231

NOTE: All figures are in 1981 dollars.

[a] Weighted average: males were weighted .68 and females .32.

[b] These cost estimates pertain to participants who were first referred in March and April 1981 and reflect the costs incurred in providing services during the six months following their referral to workfare.

[c] Includes an estimate of the value of fringe benefits. The fringe-benefit package contains only "mandatory" employer contributions for Social Security, Unemployment Insurance, and Workers' Compensation.

[d] Participant costs are based on interview respondents' estimates of the costs of work clothing, transportation, child care, etc.

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perspective was $74 per participant.[1] The governments' net benefit was slightly higher for females than for males ($99 versus $63).

Program benefits also exceeded program costs from the social perspective, primarily because of the substantial earnings gains over the first six months after referral. The net social benefit (social benefits minus social costs) was $231 overall ($313 for females and $192 for males). Thus, the benefit-cost comparison suggests that the Workfare Demonstration was cost-effective. However, it is important to recall that the earnings impact upon which the estimate of net social benefits is based has a very large confidence interval; we could not reject the hypothesis that the earnings impact was zero. Consequently, considerable uncertainty surrounds the estimate of net social benefits. Indeed, it is important to reiterate that all the caveats associated with our impact estimates also apply to these estimates of net benefits.

6.4 PRECISION OF THE NET BENEFIT ESTIMATES

The estimates presented in Table 6.5 represent our best estimate of the average net benefits of the workfare program in the demonstration sites. However, it is important to bear in mind that the estimates are built up from net impact and cost estimates, which are based on information for a sample of individuals and sites. Therefore, like the underlying impact estimates, the net benefit estimates are subject to sampling error. For policy planning purposes, it is important to develop estimates of the likely range of variation in net benefits that could be anticipated if workfare were to be implemented in other jurisdictions.

To examine the variability of the net benefit estimates, we have used standard errors of the impact estimates presented in Tables 5.3.A and 5.3.B and estimates of the variance in the cost components (workfare administrative costs and the cost to participants) to estimate standard errors of the net benefit estimates. Basically, the variance of the net benefits is estimated as the weighted sum of the variances

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[1] As noted earlier, the estimated cost per participant of $52 pertains only to the March-April 1981 cohort; it differs slightly from the figure reported earlier, which pertains to all participants.

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of the key components.[1] Of course, this estimate is only a rough approximation of the correct variance because it ignores the covariances among the net impacts and costs. The correct variance could be larger or smaller depending on the magnitudes and directions of the covariances. It is likely that the covariance terms would be offsetting, at least to some extent. For example, the covariation between the gain in earnings and the savings in food stamp benefits is likely to be positive (that is, individuals with large earnings gains also receive lower food stamp benefits). On the other hand, the covariation between food stamp benefit savings and workfare costs is likely to be negative (cases which stop receiving food stamps also participate in workfare for a shorter period and receive fewer workfare services). To the extent that various sources of covariation work in opposite directions, the variance estimate developed as the weighted sum of variances of the net benefit components will be reasonably accurate.

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[1] For males, the estimated variance of government net benefits is:

$$V\ (\text{govt}) = 6^2 [S^2_{FSA} + S^2_{earn} * (.1)^2 + S^2_{FS}\ C^2_{FS}] + S^2_{WC}$$

where S_{FSA}, S_{earn}, and S_{FS} are the standard errors of the impact estimates of food stamp benefit amount, earnings, and percent of time on food stamps (from Table 5.3.A), S_{WC} is the standard deviation of workfare costs, which is estimated from the mean costs by site shown in Table 6.4, and C_{FS} is the average administrative cost of food stamps per case month.

The variance of social net benefits is:

$$V\ (\text{social}) = (6 \times 1.081)^2 * S^2_{earn} + (3.35 * 1.08)^2\ S^2_{WKHRS} + S^2_{WC} + S^2_{pc}$$

where S_{FSA}, S_{earn}, S_{FS}, and S_{WC} are as defined above, S_{WKHRS} is the standard error of "hours worked in workfare job" for the cohort which entered workfare in March and April 1981, and S_{pc} is the standard deviation of participant costs, which is assumed to equal the mean. The variances for the net benefit estimates pertaining to females are estimated in a similar fashion.

Nevertheless, the figures presented below should be regarded only as indicative of the true variances.[1]

Table 6.6 reports the net benefit estimates and shows the standard errors and confidence intervals of the estimates.

While the average net benefits presented in Table 6.5 are positive from both the government and social perspectives, the estimates are imprecise. For males, the 95 percent confidence interval of the net benefits to the government is -$57 to +$183. A similar confidence interval for net benefits to society is -$420 to +$804. There is a high probability that the "true" average values lie within these very broad ranges. For females, the 95 percent confidence interval of the estimated net benefit to the government is similar to that for males, -$23 to $221. The confidence interval of the net benefit to society for females is also broad, -$40 to $666, but somewhat narrower than the corresponding figure for males.

In summary, our best estimates indicate that, on average, the benefits of workfare exceeded its costs; however, the standard errors of the net benefit estimates are large. This means that the "true" net benefits in the demonstration could differ from our best estimates. Furthermore, replicating workfare in other places and with other individuals, even under conditions identical to those present in the demonstration, could also lead to net benefits that differed substantially from our best estimates. This represents further grounds for caution in interpreting the findings of the evaluation.

6.5 SUMMARY OF WORKFARE COSTS AND BENEFITS

The main findings of our program-cost and benefit-cost analyses may be summarized as follows:

- A major component of workfare costs constituted staff time to perform direct service activities. The activities that required the most staff time

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[1] We also computed a net benefit figure for each of the 14 workfare sites, using net impact figures reported in column 9 of Appendix Tables D.3 and D.4, and site averages for the various cost components. This method takes into account both the covariances among the components of the net benefit estimate and the components of variance due to site effects. The estimated variances of the site means were slightly smaller, suggesting that our approach is conservative, but they were not sufficiently smaller to affect our conclusions.

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TABLE 6.6

PRECISION OF THE NET BENEFIT IMPACTS

	Males	Females	Overall
Net Benefits to the Government			
Point Estimate	$63	$99	$75
Standard Error[a]	($61)	($62)	($46)
95 Percent Confidence Interval	-$57 to $183	-$23 to $221	-$15 to $165
Net Benefits to Society			
Point Estimate	$192	$313	$250
Standard Error[b]	$312	$180	$220
95 Percent Confidence Interval	-$420 to $804	-$40 to $666	-$181 to $681

[a] The estimated variance of government net benefits is

$$V\ (\text{govt}) = 6^2 [S^2_{FSA} + S^2_{earn} * (.1)^2 + S^2_{FS}\ C^2_{FS}] + S^2_{WC}$$

where S_{FSA}, S_{earn}, and S_{FS} are the standard errors of the impact estimates of food stamp benefit amount, earnings, and percent of time on food stamps (from Table 5.3.A), S_{WC} is the standard deviation of workfare costs, which is estimated from the mean costs by site shown in Table 6.4, and C_{FS} is the average administrative cost of food stamps per case month. Separate estimates were formed for males and females. Computations are shown in Appendix H. The variance of the overall estimate is estimated as $(.68)^2$ Var (govt) of males + $(.32)^2$ Var (govt) of females.

[b] The variance of social net benefits is

$$V\ (\text{social}) = (6 * 1.081)^2 * S^2_{earn} + (3.35 * 1.081)^2\ (S^2_{WKHRS}) + S^2_{WC} + S^2_{pc}$$

where S_{FSA}, S_{earn}, S_{FS}, and S_{WC} are as defined above, S_{WKHRS} is the standard error of "hours worked in workfare job" for the cohort which entered workfare in March and April 1981, and S_{pc} is the standard deviation of participant costs, which is assumed to equal the mean. The variances for the net benefit estimates pertaining to females are estimated in similar fashion. Separate estimates were formed for males and females. Computations are shown in Appendix H. The variance of the overall estimate is estimated as $(.68)^2$ Var (social) of males + $(.32)^2$ Var (social) of females.

were referral (34 percent of all direct service time) and cause determination (17 percent).

- The average staff time (cost) per participant varied with the types of services provided. The average staff time to a participant who complied fully and participated for one month was approximately 2 hours. A sanctioned client required about 2 and a half hours. A client who was referred but was never called in (e.g., because he or she found a job or otherwise became ineligible for workfare) required 40 minutes.

- Average costs per participant varied widely by site--from under $30 in three sites to over $182 in one site. The overall average cost was just under $50 per participant.

- Cross-site variations in average costs per participant appeared to be related to program size (larger programs generally had lower costs), the amount of direct service time per participant, and average staff salaries. There was also some weak evidence to suggest that costs were higher in sites with higher rates of turnover (because in these sites staff spent relatively more time performing time-intensive referrals).

- When benefits and costs are compared from the perspective of the government budget, workfare appears to have been cost-effective for both males and females, with an overall net benefit of $74. Overall, benefits to the government budget were $126 per participant, consisting of $94 in reduced food stamp allotments, $23 in increased tax payments, and $9 in the reduced costs of administering the Food Stamp Program. The benefits were offset by costs per participant of $52.

- When benefits and costs are compared from the social perspective, the estimated net benefit to society is again positive. For males, the estimated net social benefit is $192. For females, it is $313. The overall net benefit is $231.

- The computation of approximate standard errors for the net benefit estimates indicates that the standard errors are large. This means that the "true" net benefits in the demonstration could differ from our estimates by a substantial margin, and there is some possibility that they are negative.

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APPENDIX A:

DESCRIPTION OF THE SAMPLE DESIGN, INTERVIEW PROCEDURES, AND RATES OF RESPONSE TO WAVE I AND II INTERVIEWS

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This appendix describes the comparison-site selection process, the participant and comparison-sample design, and the Wave I and Wave II interview methodology, and compares the respondents with the nonrespondents to both waves. The selection of comparison sites and the sample design are discussed in the following two sections of this appendix. The interviewing methods and response rates are examined in the last two sections.

COMPARISON SITE SELECTION

The comparison sites for the Food Stamp Workfare Demonstration were selected in order to provide an appropriate counterfactual to the experiences of workfare participants--that is, a measure of what the behavior of participants would have been in the absence of workfare. Because comparison sites served as a frame of reference, it was important to select sites whose labor market, population, and Food Stamp Programs were as similar as possible to the demonstration sites. In particular, it was important that individuals in comparison sites exhibit patterns of food stamp participation and average case duration that were similar to those of individuals in the demonstration sites. Moreover, because the Food Stamp Program is highly sensitive to changes in local economic conditions (such as the unemployment rate), it was important to match sites according to such conditions.

The first step in determining whether two counties were similar in terms of these characteristics involved identifying criteria for similarity. For this evaluation, the criteria were based on quantitative data on the characteristics of counties (e.g., median age and population), which will be referred in this discussion as "county variables." In particular, for a given county, x, and a given characteristic of interest, n, characteristics may be represented by $x_1, x_2, \ldots, x_n$. Consequently, with county x, we may associate a "county profile vector" symbolized by--

$$(1) \qquad C_x = \begin{matrix} x_1 \\ \cdot \\ \cdot \\ \cdot \\ x_n \end{matrix}$$

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Suppose (2) represents the county profile vector of another county, y.

$$(2) \qquad C_y = \begin{matrix} y_1 \\ \cdot \\ \cdot \\ \cdot \\ y_n \end{matrix}$$

Then the two counties should be considered similar if the vectors (1) and (2) are numerically "close" in some sense. For this purpose, the notion of a "proximity measure of distance" (or "similarity") between two counties was used. Such measures are designed to furnish a quantitative index of the similarity between two counties in terms of selected characteristics, and may be symbolized as in the following example:

(3) $d(C_x, C_y)$ = "distance" between county X and county Y,

where C_x and C_y are the county profile vectors for, respectively, counties x and y.

The value for $d(C_x, C_y)$ must be specified in terms of the

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Thus, county Z is "closer," or more similar to, county x than to county y, if

(6) $d(C_x, C_z) < d(C_y, C_z)$.

However, in order to implement comparisons of type (6), the data for the characteristics in the vectors C_x and C_y must be made numerically compatible; that is, in order to produce a useable index of proximity, the metrics (4) and (5) must be applied to data vectors which have been "normalized" across components. The reason for this procedure is illustrated by the following example. If population size and the percentage employed in any governmental unit are two variables that appear in the county profile vectors, then it is clear that using the raw data to compute the "distance" between two counties generates an effect of differences in population that would greatly overshadow the effect of differences in the rate of government employment. To avoid such problems, the variables appearing in the county profile vector array have been normalized to have zero mean and unit variance, by finding the mean and variance of each variable in the county profile over all 3,100 counties in the country based on data from Census tapes, and then normalizing each variable in the county profiles. Once this is done, the metrics (4) and (5) may be applied in comparisons of the form (6) to extract those vectors C_x that are "closest" to a given vector C_z.

The initial step was to analyze every county in the United States using Census data. A computer algorithm processed the county data and searched for the set of ten counties that exhibited the greatest similarity to each demonstration county, based on three independent measures of proximity and 15 county variables. The county variables considered in this selection were the following:

1. Total population
2. Population per square mile
3. Percent black population
4. Median age
5. Median education of persons 25 years of age and older
6. Unemployment rate of civilian labor force

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7. Percent employed in any governmental unit

8. Median family income

9. Ratio of Old Age Survivors Disability and Health Insurance (OASDHI) recipients (December 1971) to total labor force

10. Ratio of AFDC recipients (February 1972) to total labor force

11. Ratio of local government employment to total labor force

12. Ratio of federal government employment to total labor force

13. Percentage of manufacturing establishments with 100 or more employees

14. Whether study project is in same state

15. Whether study project is in same Census region

County population was important in terms of choosing the county variables, since it strongly influences employment patterns. Moreover, a consideration of population density facilitated differentiating between urban and rural sites. Age, education, and income are prominent characteristics of a labor force and were thus also considered. Percentage of black population was a significant factor, since the earnings and wages of this ethnic group tend to be lower than those of whites. Since government is often responsible for initiating new job possibilities, a parameter which measured government employment within a labor force was also considered to be important. Finally, since food stamp recipients are highly represented among the AFDC/OASDHI population, ratios such as variables 9 and 10 were also included.

The first-level distance analysis selected the ten best-matched comparison-site candidates for each demonstration site. Data on the monthly unemployment rates for each of the candidate sites from January 1980 through June 1980 were obtained from the Bureau of Labor Statistics. Food stamp participation rates in the candidate counties--that is, the number of PA (public assistance) and NPA (nonpublic assistance) food stamp households certified to receive food stamps each month--were obtained for each month from January through April 1980.

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Six of the first-level match variables--unemployment rate, percent employed in government, median family income, ratio of local government employment, ratio of federal government employment, and percent of manufacturing establishments with 100 or more employees--were replaced with the following variables based on unemployment and food stamp data which had been obtained:

1. Unemployment rate, June 1980

2. Percent change in unemployment rate from January to June 1980

3. Number of non-public-assistance food stamp (NPA-FS) households, April 1980

4. Percent change in number of NPA-FS households from January to April 1980

5. Number of public assistance food stamp (PA-FS) households, April 1980

6. Percent change in number of PA-FS households from January to April 1980

The ten candidate counties were then matched against the demonstration sites by using the nine remaining Census variables and the six new food stamp and unemployment rate variables. The same distance algorithm which had been used in the first-level match was used in the second-level match.

Independently of this operation, the same algorithm was used to test the match of the ten candidate sites to the demonstration sites based only on the six new food stamp and unemployment variables. The results of this last step were used as a sensitivity analysis to check the stability of the final choice of comparison sites.

The only comparison sites for which other considerations were used were San Diego and Berkeley (South Carolina). After the proximity measures were obtained, the resulting best-matched sites differed from the sites used as comparisons during the first-year demonstration. A decision was made to keep the first-year comparison sites, since comparing the impacts during Workfare I with the impacts during the second year was an important consideration. The results of such a comparison would be confounded if the comparison sites had changed. The final selections for the comparison sites are shown in Table A.1.

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TABLE A.1

DEMONSTRATION AND COMPARISON SITES

Demonstration Site	Matched Comparison Site
Yuma County, AZ	Cochise County, AZ
Lonoke County, AR	Arkansas County, AR
Sebastian County/ Crawford County, AR	Washington County/ Independence County, AZ
San Diego County, CA	Orange County, CA
Pinellas County, FL	Broward County, FL
Evansville/Vanderburgh County, IN	Muncie/Delaware County, IN
Montgomery County, MD	Baltimore County, MD
Grand Rapids, MI	Saginaw, MI
Springfield/Greene County, MO	St. Joseph/Buchanan County, MO
Nashua, NH	Salem/Portsmouth, NH
Berkeley County, SC	Beaufort County, SC
Greenville County, SC	Spartanburg County, SC
Utah County, UT	Weber County, UT
Tazewell County, VA	Russell County, VA

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SAMPLE DESIGN

Before field work began, a number of key issues were considered and decisions made in terms of developing the sample design for workfare participants. These issues included the following:

- Should the participant sample be stratified and, if so, how?
- What size sample was necessary to assess the impact of workfare accurately?
- What proportion of the sample should be allocated to workfare participants and what proportion to comparison work registrants?
- Would the data exhibit variation, and how would such variation be associated with the precision of the estimates obtained from the sample?
- What degree of matching between comparison and participant groups was desirable and feasible?

The sample design used in the demonstration was developed by addressing each of these questions, and is described in this section. The sample frame of participants in the second year of workfare was the group of applicants to the Food Stamp Program who were referred to workfare for the first time during March-April 1981 (the third and fourth months of operation for most demonstration sites). This sample frame provided a follow-up observation period (post-referral or post-work-registration period of at least three months (May through October 1981). The selection of first referrals meant that the sample was representative of the population that would be referred to workfare in our ongoing program.[1]

Persons referred to workfare who were younger than 18 years of age or older than age 60 were also excluded from the sampling frame, as were persons in households whose gross

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[1] An alternative approach would have been to select the sample from among FSP cases who were receiving food stamps in some month, rather than newly referred cases. However, such a sample would not have been representative of the population entering an ongoing workfare program. This is the case because cases which receive food stamps for a long period are overrepresented in the caseload during any month relative to their number in a group of new cases.

income exceeded the food stamp allotment (except United Mine Workers strikers in Tazewell, Virginia).[1]

Workfare participants were then selected from records maintained by the Workfare Management Information System (MIS) for the remaining members of the March-April 1981 cohort. The Workfare MIS contains information on the monthly program activities of all participants (except San Diego, which includes a 60 percent sample).

The workfare participant sample was stratified into three groups within each of the fourteen demonstration sites:

1. Participants who worked some hours of their workfare obligation during the month of sample selection

2. Participants who were scheduled to work (that is, they were interviewed and were assigned to a job site) but did not work any hours of their workfare obligation

3. Those who were never assigned

The purpose of this stratification was to ensure that adequate data were available for an analysis of the experiences of participants who worked in workfare jobs. The first group provided information on workfare jobs from the participants' perspective, including their estimated work-related expenses. The second group provided information on why participants who had appeared at a workfare interview did not follow through and work at the assigned job site. The third group complemented the first two groups by rounding out the entire sample of participants.

Table A.2 displays the distribution of the sample frame among the three strata and fourteen demonstration sites. In this table, the San Diego participant sample has been inflated to estimate the number in the entire participant

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[1] On occasion, food stamp work registrants whose household earned income exceeded the household's food stamp allotment were erroneously referred to workfare. These individuals were removed from the sampling frame. In Tazewell County, program administrators, as a matter of policy, referred UMW strikers to workfare during their last month of work. Consequently, many individuals were referred whose household earned income exceeded the food stamp allotment. These individuals remained in the sampling frame.

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TABLE A.2

SAMPLE FRAME FOR WORKFARE EVALUATION:
PERSONS REFERRED TO WORKFARE FOR THE
FIRST TIME IN MARCH-APRIL 1981

Demonstration Site	Participants: Worked in Job	Participants: Scheduled to Work But Did Not Work	Participants: Other	Total
Yuma, AZ	16	10	174	200
Lonoke Co., AR	17	6	27	50
Sebastian/Crawford Cos., AR	32	8	144	184
San Diego Co., CA[a]	408	673	1,280	2,361
Pinellas Co., FL[b]	83	74	793	950
Vanderburgh Co., IN (Evansville)	49	33	207	289
Montgomery Co., MD	3	1	36	40
Grand Rapids, MI[b]	6	5	66	77
Greene Co., MO (Springfield)	65	26	267	358
Nashua, NH	3	4	71	78
Berkeley Co., SC	16	14	95	125
Greenville Co., SC	49	39	183	271
Utah Co., UT	18	8	95	121
Tazewell Co., VA[c]	7	4	499	510
TOTAL	772	905	3,937	5,614

[a] The Workfare MIS was designed to process 60 percent of the persons who were referred to workfare in San Diego. The figures presented herein are inflated to estimate the total participant population in San Diego.

[b] These two sites were not part of Wave II interviewing, since they had ceased operations prior to Wave II.

[c] The UMW strike had a significant effect on the number of persons who were referred to Workfare in Tazewell County, Virginia.

population.[1] In particular, the data in Table A.2 for San Diego were derived by dividing numbers computed from the Workfare MIS for San Diego by 0.6 to adjust for the under-sampling in this site in the MIS.

Table A.3 displays the sample sizes for the workfare evaluation interviews. Overall, 1,500 participants and 1,000 matched comparison work registrants were selected to be interviewed. Some of the features of the sample design include the following:

- Twenty-five percent and 15 percent of the sample were allocated to, respectively, San Diego and Pinellas counties (hence, 25 and 15 percent of the matched work registrant sample were allocated to the corresponding comparison sites).

- Participants who worked in workfare were sampled at a rate of 100 percent; participants who were assigned to job sites, but did not work, were sampled at a rate of about two-thirds; and the remaining participants were sampled at a rate of about one-third.

- Because of the atypically large number of strikers among the workfare participants in Tazewell County, Virginia, participants in this site were sampled at a rate equal to one-fourth of the proportion that they actually represented in the total participant population (excluding San Diego and Pinellas counties).

All food stamp work registration forms that were dated between February and April 1981 from the comparison sites were selected for the sample frame of comparison work registrants. Because of the small size of some of the comparison sites, the beginning month of the comparison sample frame period was extended back one month prior to the participant sample frame period, so as to develop a larger sample frame for the comparison group work registrants than would have been available otherwise.

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[1] Because of cost considerations, only 60 percent of the San Diego cases were entered in the MIS. (Participants were included or excluded based on the last digit of their Social Security number, which was assumed to be random.) All descriptive statistics generated from the San Diego MIS have been weighted to compensate for the 60 percent sampling.

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TABLE A.3

RECOMMENDED SAMPLE SIZES FOR WORKFARE EVALUATION

Demonstration Site	Participants: Worked in Job	Participants: Scheduled to But Did Not Work	Participants: Other	Total Participant Sample	Comparison Sample	Comparison Site
Yuma, AZ	16 (11)[d]	7 (5)	60 (40)	83	56	Cochise, Co., AZ
Lonoke Co., AR	17 (12)	5 (3)	9 (6)	31	21	Arkansas Co., AR
Sebastian/ Crawford Cos., AR	32 (21)	5 (4)	49 (32)	86	57	Washington/ Independence Cos., AR
San Diego Co., CA[a]	119 (79)	131 (87)	125 (84)	375	250	Orange Co., CA
Pinellas Co., FL[b]	47 (31)	28 (19)	150 (100)	225	150	Broward Co., FL
Vanderburgh Co., IN	49 (33)	24 (16)	71 (47)	144	96	Delaware Co., IN
Montgomery Co., MD	3 (2)	1 (1)	12 (8)	16	11	Baltimore Co., MD
Grand Rapids, MI	6 (4)	4 (3)	23 (15)	33	22	Saginaw, MI
Greene Co., MO	65 (43)	18 (12)	91 (61)	174	116	Buchanan Co., MO
Nashua, NH	3 (2)	4 (3)	24 (16)	31	21	Rockingham Co., NH
Berkeley Co., SC	16 (11)	10 (6)	33 (22)	59	39	Beaufort Co., SC
Greenville Co., SC	49 (33)	28 (18)	63 (42)	140	93	Spartanburg Co., SC
Utah Co., UT	18 (12)	5 (3)	33 (22)	56	37	Weber Co., UT
Tazewell Co., VA[c]	2 (1)	2 (1)	43 (29)	47	31	Russell Co., VA
TOTAL	442	272	786	1,500	1,000	

[a] Twenty-five percent of the sample was allocated to San Diego County.

[b] Fifteen percent of the sample was allocated to Pinellas County.

[c] After removing San Diego and Pinellas counties from consideration, the sample in Tazewell County represents about 5 percent of the remaining sample. The actual participant population in Tazewell represents about 22 percent of the total participant population, having been artificially inflated by the large number of strikers.

[d] The numbers in parentheses are the counts of comparison food stamp work registrants who were matched with the particular participant group.

As with participants, persons who were younger than 18 years of age or older than 60 were eliminated, as were persons whose earned income exceeded their food stamp allotment. In addition, Haitian work registrants in Broward County, Florida, were eliminated from the sampling frame because the Food Stamp Program in Pinellas County contains virtually no Haitians.

In order to derive reliable impact estimates, the comparison group of Food Stamp Program work registrants was matched as closely as possible with the participants in terms of selected characteristics. The matching procedure is similar to the method used in the evaluation of the first-year demonstrations, and is described below.

Workfare participants were relatively young (an average age of 31 years), resided in single-person households (over 55 percent), and had relatively short certification periods (the average length of the certification period was 3.0 months). Moreover, about two-thirds of the workfare participants were male. These characteristics were used for matching purposes for the following reasons:

- **Sex.** The sex of workfare participants was important because of the different occupations in which men and women traditionally work. Furthermore, a substantial difference existed in terms of the average wage rates of men and women, as did some differences in their labor-force participation rates.

- **Age.** The age of the workfare participants was a desirable characteristic because age is correlated with work experience.

- **Certification Period/Household Size.** Because larger households tend to have larger food stamp allotments, they might also be more dependent on the Food Stamp Program. The length of the certification period was another measure of dependency on the Food Stamp Program and was included as a match characteristic.

In addition, race was included in the process of selecting the comparison sample of work registrants. Race was of particular concern in the San Diego/Orange and Pinellas/Broward pairs of demonstration and comparison sites, because these sites had a more heterogenous racial mix than did the other site pairs.

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The matching process entailed stratifying the sample of participants (1,500 individuals) in each demonstration site according to five factors:

1. Type of participant (worked; scheduled to work but did not work; all others)

2. Length of certification period (six groups: 1 to 5 months, and 6 months or longer)

3. Household size (three groups: 1 person, 2 persons, and 3 or more persons)

4. Race (four groups: white, black, Hispanic, and others)

5. Age (younger than age 30 and age 30 or older)

A large random sample of food stamp work registrants from the comparison sites (about 3,000 persons who would have been referred to workfare had the demonstration been in effect in the comparison sites) was similarly stratified.[1]

The proportion of participants in each stratum was applied to the total number of comparison work registrants to be selected (1,000 individuals) in order to determine the number of comparison persons in each stratum. Within each comparison stratum, the required number of persons was then randomly selected. In some cases, the required number of comparison work registrants was unavailable. In these cases, all available matched comparison persons were included, and the remaining comparisons were chosen from an adjacent stratum. The priority of characteristics for defining an adjacent stratum was the order given in the above list. However, if the required number of comparisons of, for example, a given age (from a given comparison site) were unavailable in a particular stratum, then the age characteristic was ignored in selecting the remaining persons.

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[1] Since "type of participant" was not a meaningful concept for the comparison group, the comparison group was not stratified by this characteristic. However, matches of all other characteristics were performed within each of the three participant type groups. Therefore, comparisons could be assigned a pseudo-participant type code. This code was called the "match-type" and was used for weighting purposes.

CLIENT INTERVIEWS

The participant and comparison group samples selected according to the sample design described in the previous section were interviewed in two waves. Wave 1 interviews were conducted in August, September, and October 1981. Wave 2 interviews were conducted in November and December 1981 and January 1982. A mixed-mode telephone and in-person interview was used. Initially, a major effort was made to locate and interview by telephone the entire sample of 2,500 respondents. The telephone effort encompassed a total of 766 interviews, or 30.6 percent of the sample. Sample members for whom no telephone number could be found were then tracked and administered an in-person interview in the field. Using a variety of tracking procedures, including postmaster address updates, canvassing of neighbors, revisits to welfare offices, and incentive letters and mailgrams, interviewers were able to locate and interview 823 additional respondents, for a total of 1,589 interviews, or 63.6 percent of the sample. Table A.4 shows the way in which interviews were completed during the first wave of interviews by site.

For the second wave of follow-up interviews, the sample consisted of those persons with whom an interview had been completed during the first wave. In the interim period between the two waves, the Pinellas County and Grand Rapids demonstration sites had ceased operations. These two sites and their comparison sites were not included in the interviewing effort for Wave II. A mixed-mode telephone and in-person interview methodology was again used. Because of logistical problems encountered in attempting to manage a simultaneous central telephone/decentralized field effort in the first wave, both telephone and in-person efforts were conducted by field staff at the site. Interviewers first attempted to complete an interview by telephone using local telephone lines. When no telephone number was available, interviewers attempted to locate the respondent at the last known address and to complete the interview in person. To locate the respondent, interviewers were given the names, addresses, and telephone numbers of up to three relatives and/or friends who could be contacted. This contact information had been collected during the first wave of interviews. In addition, centrally located telephone interviewers completed a small number of interviews with respondents who had moved from an area covered by any of the interviewing services and with respondents who had refused the in-person interview. The methodology by which the Wave II interviews was completed is shown in Table A.5.

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TABLE A.4

METHODOLOGY FOR INTERVIEWS COMPLETED IN WAVE I

Site	Sample Size	Telephone Completes		Field Completes		Total Completes	
		Number	Percent	Number	Percent	Number	Percent
Demonstration Sites							
Yuma, AZ	83	12	14.4%	14	16.9%	26	31.3%
Lonoke, AR	31	13	41.9	14	45.1	27	87.0
Sebastian/Crawford, AR	86	20	23.3	34	39.5	54	62.8
San Diego, CA	375	113	30.2	98	26.1	211	56.3
Pinellas, FL	225	51	22.7	80	35.5	131	58.2
Evansville/Vanderburgh, IN	144	38	26.4	56	38.9	94	65.3
Montgomery, MD	16	5	31.5	3	18.8	8	50.0
Grand Rapids, MI	33	14	42.5	14	42.4	28	84.8
Springfield/Greene, MD	174	54	31.0	61	35.1	115	66.1
Nashua, NH	31	9	29.0	14	45.1	23	74.1
Berkeley, SC	59	26	44.1	30	50.8	56	94.9
Greenville, SC	140	46	32.9	73	52.1	119	85.0
Utah, UT	56	15	26.8	25	44.6	40	71.4
Tazewell, VA	47	32	68.0	14	29.8	46	97.8
TOTAL	1,500	448	29.9%	530	35.3%	978	65.2%
Comparison Sites							
Cochise, AZ	56	18	32.1%	8	14.3%	26	46.4%
Arkansas, AR	21	11	52.4	7	33.3	18	85.7
Washington/Independence, AR	57	22	38.6	23	40.3	45	78.9
Orange, CA	250	65	26.0	52	20.8	117	46.8
Broward, FL	150	34	22.6	43	28.7	77	51.3
Delaware, IN	96	37	38.5	41	42.8	78	81.3
Baltimore, MD	11	6	54.5	1	9.1	7	63.6
Saginaw, MI	22	13	59.0	6	27.3	19	86.3
St. Joseph/Buchanan, MO	116	41	35.3	34	29.3	75	64.6
Rockingham, NH	21	10	47.6	6	28.5	16	76.1
Beaufort, SC	39	13	33.4	5	12.8	18	46.2
Spartanburg, SC	93	25	26.9	36	38.7	61	65.5
Weber, UT	37	8	21.6	16	43.2	24	64.8
Russell, VA	31	15	48.3	15	48.4	30	96.7
TOTAL	1,000	318	31.8	293	29.3	611	61.1
GRAND TOTAL	2,500	766	30.6%	823	33.0%	1,589	63.6%

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TABLE A.5

METHODOLOGY FOR INTERVIEWS COMPLETED IN WAVE II

Site	Sample Size[a]	Telephone Completes		Field Completes		Total Completes	
		Number	Percent	Number	Percent	Number	Percent
Demonstration Sites							
Yuma, AZ	26	15	57.7%	0	-	15	57.7%
Lonoke, AR	27	20	74.1	0	-	20	74.1
Sebastian/Crawford, AR	54	21	38.9	9	16.7%	30	55.6
San Diego, CA	211	125	59.2	16	7.6	141	66.9
Evansville/Vanderburgh, IN	94	40	42.6	6	6.4	46	48.9
Montgomery, MD	8	7	87.5	0	-	7	87.5
Springfield/Greene, MO	115	59	51.3	10	8.7	69	60.0
Nashua, NH	23	13	66.5	7	30.4	20	87.0
Berkeley, SC	56	42	75.0	4	7.1	46	82.1
Greenville, SC	119	72	60.5	18	15.1	90	75.6
Utah, UT	40	15	37.5	0	-	15	37.5
Tazewell, VA	46	42	91.3	0	-	42	91.3
TOTAL	819	471	57.5%	70	8.5%	541	66.1%
Comparison Sites							
Cochise, AZ	26	13	50.0%	0	-	13	50.0%
Arkansas, AR	18	13	72.2	0	-	13	72.2
Washington/Independence, AR	45	30	66.7	8	17.8%	38	84.4
Orange, CA	117	71	14.5	8	6.8	79	67.5
Delaware, IN	78	46	59.0	0	-	46	59.0
Baltimore, MD	7	5	71.4	0	-	5	71.4
St. Joseph/Buchanan, MO	75	50	66.7	18	24.0	68	90.7
Rockingham, NH	16	10	62.5	4	25.0	14	87.5
Beaufort, SC	18	12	66.7	0	-	12	66.7
Spartanburg, SC	61	29	47.5	12	19.7	41	67.2
Weber, UT	24	18	75.0	7	29.0	18	75.0
Russell, VA	30	24	80.0	0	-	24	80.0
TOTAL	515	316	61.4	55	10.7	371	72.0
GRAND TOTAL	1,334	787	59.0%	125	9.4%	912	68.4%

[a] The sample in Wave II consisted of cases which had been located and interviewed during Wave I. Pinellas County, FL, Grand Rapids, MI, and their comparison sites were not included in the Wave II interviewing effort.

COMPARISON OF RESPONDENTS AND NONRESPONDENTS TO WAVE I AND WAVE II

The data for matching were obtained from the Workfare MIS for participants, and from the work registration forms for comparisons. Consequently, some information is available on every member of the sample, thus facilitating a comparison of the demographic data for nonrespondents with demographic data for respondents. Table A.6 displays the response rates for subgroups of respondents to Wave I. The table indicates the following:

- Participants responded at a slightly higher rate than did matched comparison work registrants (65 percent versus 61 percent).
- Individuals in single-person households responded at substantially lower rates than did those in multi-person households (54 percent versus 73 percent).
- Individuals with higher levels of education responded at progressively lower rates (varying from 58 percent for persons with more than 12 years of education to 75 percent for persons with 8 or less years of education).
- Younger persons responded at lower rates than did individuals who were 30 years of age or older (59 percent versus 68 percent).
- Males responded at lower rates than did females (60 percent versus 71 percent).
- Participants who worked some hours in workfare responded at higher rates than did other participants (79 percent versus 60 percent).

The second wave of interviews was conducted in 12 workfare demonstration sites and 12 corresponding comparison sites. Pinellas County, Florida, and Grand Rapids, Michigan, withdrew from the project in September 1981. The respondents to Wave I from those sites (and their comparison sites) were not reinterviewed. Based on the original sample in the 12 demonstration and 12 comparison sites, the response rates to Wave II are provided in Table A.7.

Table A.8 compares rates of response to the Wave 1 interview by subgroups of demonstration and comparison sample members.

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TABLE A.6

RESPONSE RATES OF SELECTED GROUPS IN WAVE I

Selected Group	Response Percent (Number)	Nonresponse Percent (Number)	Total Percent (Number)
Site			
Demonstration	65.2 (978)	34.8 (522)	60.0 (1,500)
Comparison	61.1 (611)	38.9 (389)	40.0 (1,000)
Site			
Large urban	52.5 (328)	47.5 (297)	25.0 (625)
Medium urban	55.5 (223)	44.5 (179)	16.1 (402)
Small urban	71.5 (791)	28.5 (315)	44.2 (1,106)
Rural	67.3 (247)	32.7 (120)	14.7 (367)
Household Size			
1 person	54.1 (661)	45.9 (561)	48.9 (1,222)
> 1 person	72.6 (927)	27.4 (350)	51.1 (1,277)
Unknown	100.0 (1)	0.0 (0)	0.04 (1)
Length of Certification Period			
1 month	61.8 (264)	38.2 (163)	17.1 (427)
2 months	58.7 (339)	41.3 (239)	23.1 (578)
3 or more months	65.9 (983)	34.1 (509)	59.7 (1,492)
Unknown	100.0 (3)	0.0 (0)	0.1 (3)
Race			
White	62.2 (1,095)	37.8 (665)	70.4 (1,760)
Black	69.8 (352)	30.2 (152)	20.2 (504)

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TABLE A.6 (continued)

Selected Group	Response Percent (Number)	Nonresponse Percent (Number)	Total Percent (Number)
Race (continued)			
Other	61.4 (113)	38.6 (71)	7.4 (184)
Unknown	55.8 (29)	44.2 (23)	2.1 (52)
Education			
0-8 years	74.8 (249)	25.2 (84)	13.3 (333)
9-11 years	64.6 (490)	35.4 (269)	30.4 (759)
12 years	62.7 (550)	37.3 (327)	35.1 (877)
>12 years	58.1 (172)	41.9 (124)	11.8 (296)
Unknown	54.5 (128)	45.5 (107)	9.4 (235)
Age			
< 30 years old	59.4 (796)	40.6 (545)	53.6 (1,341)
≥ 30 years old	68.4 [illegible]	31.6 [illegible]	46.3 [illegible]

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TABLE A.6 (continued)

Selected Group	Response Percent (Number)	Nonresponse Percent (Number)	Total Percent (Number)
Match Type			
Worked	64.4 (190)	35.6 (105)	29.5 (295)
Scheduled to but did not work	57.5 (104)	42.5 (77)	18.1 (181)
Other	60.5 (317)	39.5 (207)	52.4 (524)

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TABLE A.7 (continued)

Selected Group	Response Percent (Number)	Nonresponse Percent (Number)	Total Percent (Number)
Race			
White	44.5	55.5	71.3
	(657)	(819)	(1,476)
Black	47.7	52.3	17.9
	(177)	(194)	(271)
Other	34.5	65.5	8.3
	(59)	(112)	(171)
Unknown	36.5	63.5	2.5
	(19)	(33)	(52)
Education			
0-8 years	53.2	46.8	15.0
	(165)	(145)	(310)
9-11 years	43.2	56.8	32.4
	(290)	(381)	(671)
12 years	44.4	55.6	36.6
	(336)	(421)	(757)
>12 years	37.5	62.5	12.8
	(99)	(165)	(264)
Unknown	32.4	67.6	3.3
	(22)	(46)	(68)
Age			
< 30 years old	38.9	61.1	55.1
	(444)	(647)	(1,141)
≥ 30 years old	50.3	49.7	44.8
	(466)	(461)	(927)
Unknown	100.0	0.0	0.1
	(2)	(0)	(2)
Sex			
Male	39.0	61.0	66.7
	(539)	(842)	(1,381)
Female	54.1	45.9	33.3
	(373)	(316)	(689)

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TABLE A.7 (continued)

Selected Group	Response Percent (Number)	Nonresponse Percent (Number)	Total Percent (Number)
Participant Type			
Worked	53.0 (206)	47.0 (183)	31.3 (389)
Scheduled to but did not work	35.4 (85)	64.6 (155)	19.3 (240)
Other	40.8 (250)	59.2 (363)	49.4 (613)
Match Type			
Worked	45.8 (119)	54.2 (141)	31.4 (260)
Scheduled to but did not work	40.3 (64)	59.7 (95)	19.2 (159)
Other	46.0 (188)	54.0 (221)	49.4 (409)

NOTE: Rates were computed by using the initial sample sizes from the 12 demonstration and 12 comparison sites that continued operations to at least December 1981.

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TABLE A.8

RESPONSE RATE OF SELECTED GROUPS IN WAVE I

	Males		Females		Total	
	Demonstration Sites	Comparison Sites	Demonstration Sites	Comparison Sites	Demonstration Sites	Comparison Sites
Overall	60.9	57.6	73.5	67.8	65.1	61.0
Site:						
Large urban	49.8	41.8	69.4	57.5	56.3	46.8
Medium urban	66.1	57.0	74.7	66.1	69.4	60.6
Small urban	59.2	59.5	75.1	69.4	64.8	62.9
Rural	73.1	81.2	74.3	100.0	73.3	85.0
Household Size:						
1 person	49.1	46.7	69.2	60.7	56.0	51.3
> 1 person	71.8	68.4	77.7	74.4	73.8	70.4
Length of Certification Period:						
1 month	61.4	51.6	76.0	66.0	65.9	55.8
2 months or more	60.7	58.9	72.9	68.1	64.9	62.1
Ethnic Group:						
White	58.7	57.6	72.5	67.0	63.2	60.6
Black	68.9	62.0	78.2	68.0	72.3	64.6
Other	54.8	48.1	58.6	79.0	56.0	56.3
Unknown	80.0	58.8	100.0	64.7	87.0	60.8
Education:						
0-8 years	66.4	66.8	91.8	83.3	75.8	72.6
9-11 years	61.4	59.9	71.8	69.2	65.2	63.1
12 years	60.5	55.9	70.3	71.4	63.8	60.7
> 12 years	55.9	56.8	64.3	62.2	57.9	58.5
Unknown	60.0	50.9	73.7	52.3	64.8	51.4
Age:						
< 30 years old	59.7	54.3	63.6	63.2	60.9	57.1
≥ 30 years old	62.2	61.9	82.0	72.7	69.7	65.7
Participant Type/Match Type Worked:						
Worked	75.4	59.0	83.2	72.7	78.5	64.4
Scheduled to but did not work	55.0	53.9	65.4	64.7	58.1	56.9
Other	55.8	58.3	69.2	65.3	60.1	60.5

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CONSTRUCTION OF WEIGHTS

Two sets of weights were constructed to make both the demonstration and comparison samples reflect the characteristics of the demonstration site population as a whole (i.e., individuals who were first referred to workfare in March and April 1981). Those weights were based on the sample design weights (the inverse of the probability of selection by site and participant group), which were adjusted for nonresponse to the Wave 1 and Wave 2 surveys. One way to perform this nonresponse adjustment would have been simply to divide the sample design weights by the interview response rates within each (site, match type) group. This procedure represents an assumption that nonresponse within any such group is largely random and uncorrelated with key outcome variables. Instead, using a regression model, an attempt was made to estimate the probability of interview response for each individual sample member, which was then used to adjust the sample design weight. Using the regression adjustment allowed the adjustment for nonresponse to vary with personal characteristics. All analyses presented in this report were based on the Wave 1 sample, and analyses to which the sample weights were applied were based on the Wave 1 weights constructed in this manner.

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APPENDIX B:

FOOD STAMP WORK REGISTRATION

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This appendix summarizes the Food Stamp Program work-registration requirement, including a description of the exemptions that were in effect at the time of the demonstration. These exemptions determined who was and was not a work registrant. The appendix then focuses on the work-registration process in place at the time of the demonstration, and assesses the effectiveness of the SESAs at placing Food Stamp Program work registrants.

The Food Stamp Act of 1964 (P.L. 88-525) established the Food Stamp Program. Since 1971, legislation has required all able-bodied adults in an eligible household to register for and to accept suitable employment, unless they are specifically exempted. The work-registration requirement in the Food Stamp Program has important implications for the workfare project and its evaluation, because the eligible workfare population represents a subset of the population that is normally required to "register for work."

REGULATIONS AND EXEMPTIONS

The food stamp work-registration requirement went into effect in 1971. In general, all adult members of food stamp households are identified during the Food Stamp Program application process and screened for exemption by caseworkers from information supplied by applicants representing the household. Until 1981, DOL, through its network of state ES offices, was responsible for helping to implement the work-registration requirements by providing registrants with such services as counseling, testing, training, and referral to potential employers.

The following persons were specifically exempted from work registration under the initial legislation:

- Persons younger than 18 and older than 65 years of age
- Mothers of dependent children younger than 18 years of age
- Students enrolled at least half-time in approved schools or training programs
- Persons working at least 30 hours per week
- Persons enrolled in the WIN Program
- Persons who were physically or mentally incapable of working

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Later amendments added to or otherwise changed the list of exemptions. In 1973 the exemption list was extended to include drug addicts and alcoholics who regularly participated in any treatment or rehabilitation program. The Food Stamp Act of 1977 modified the exemptions to include:

- Persons 60 years of age or older
- Parents or other household members responsible for the care of either children 12 years of age or younger or incapacitated persons
- Persons receiving unemployment compensation
- Employed persons working a minimum of 30 hours per week or receiving earnings at least equal to the federal minimum wage multiplied by 30 hours

THE WORK REGISTRATION PROCESS

After all work registrants were identified in the application process, applicants were asked to provide a completed work-registration form (Form ES-511 or a state equivalent) for each nonexempt member of the household. In all workfare demonstration sites, the completed work registration form was a prerequisite to the certification of households for Food Stamp Program participation. Rather than taking registration forms home to be completed by household members and then returning to the food stamp office, most applicants completed all the forms for other household members during the food stamp intake interview. This was the first potential problem in the process--members of the food stamp household could be registered for work without knowledge of its possible implications. Because the forms could be completed by someone other than the work registrant, they were often incomplete or illegible.

The food stamp office forwarded the registration forms in batches to the ES office that had jurisdiction over the area in which registrants resided. The batches were usually accumulated over a period of one day to one week. At the ES office, a number of different procedures could be followed.

First, the method for filing work-registration forms indicated what, if any, further services would be provided. At eleven of the workfare projects, the work-registration forms were first reviewed to obtain work-history information necessary to assign a Dictionary of Occupational Titles (DOT) code, and were then filed by DOT

code in the same file cabinets as other job seekers who were using the ES (this is typically called "mainstreaming"). In the other three projects, the registration forms were filed separately and presumably were not accessed unless the person actively sought ES assistance on his or her own. In one of these three projects, the filing system entailed storing the registration forms by chronological date of work registration. This process facilitated purging the files after six months. In only two projects was it standard policy to call in food stamp work registrants to complete information on the registration form (usually for more detailed work-history information). In one project, state regulations specifically prohibited calling in food stamp work registrants to collect information for the ES-511.

As part of the work-registration requirements, the Food Stamp Act mandates that food stamp work registrants actively search for work or risk losing their benefits. At the time of the Workfare Demonstration, this requirement was loosely interpreted by the local ES and food stamp offices to mean that registrants were obligated to come into the ES office when called in (by mail, in virtually every case, and only occasionally by telephone) for a job-screening interview, to appear for interviews at the potential employer's place of business if a referral was made, and to accept employment if offered a job. The extent to which any of these activities actually took place varied substantially from project to project.

Perhaps the most important reason for variations in the work-registration process was that the specification of these procedures in the federal regulations was vague and did not adequately describe the roles of the ES and welfare agencies in terms of administering the procedures.[1] With little formal guidance, local areas responded to the regulations by providing services and developing procedures which best met the needs of each local agency. Unfortunately, in many instances, this approach led to the welfare office's transmitting incomplete or illegible work-registration forms to the ES office, which in turn filed

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[1] This criticism was remedied in the proposed food stamp work-registration and job-search requirements published in the Federal Register of August 8, 1980. However, the final regulations were not published until January 1981 and were not implemented until late 1981. The previous work-registration description focused more on delineating the exemptions from work registration and the penalties for noncompliance than on specifying what was expected from the welfare agency, the ES office, and the food stamp work registrant.

them to be purged after a fixed period of time. This was especially the case in the larger urban areas, where the volume of food stamp work registrants far exceeded the capacity to provide services.

A second reason for the variation in work-registration procedures was that no ongoing monitoring system was available to measure the services provided to food stamp work registrants and to provide a measure of accountability for local office operations. Tables 6, 23, and 24 of the Employment Security Automated Reporting System (ESARS) theoretically provided counts of new and renewed food stamp work registrants each month, including a count of testing, counseling, referral to jobs, and placement services. The accuracy of these data was questionable. The system was confounded by inaccuracies in the data for food stamp work registrants because of a lack of concern by local managers about the work-registration process for this target population. As noted earlier, the work-registration form (the ES-511 or state equivalent) was completed by food stamp work registrants in most local welfare offices, with the eligibility worker's performing few if any checks for completeness or clarity. The form that was transmitted to the ES office was often missing important information for determining job-readiness;[1] furthermore, it rarely contained the dates of the food stamp certification period during which the mandatory registration requirement applied. Without these dates, the ES could have devoted resources to trying to contact a work registrant who was no longer receiving food stamps. For these reasons, the work-registration forms were often not entered into the ESARS system. Thus, the level of food stamp activity reported by the system is questionable.

A third reason for variation was a combination of the local labor-market conditions and the perceptions of staff about priorities in local ES and welfare offices. In many areas, poor labor-market conditions made it difficult to match the employment needs of job seekers (even individuals with significant skills and work experience) to openings listed with the ES. In these situations, the ES staff were often faced with a decision about whether to refer applicants to openings who had taken the initiative to come into the office on their own to look for work, or to contact and refer food stamp work registrants who often proved difficult to locate and reluctant to show up for a job

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[1] Most notably, if the work history was improperly completed, no DOL code could be assigned. Without the DOL code, the work-registration form is virtually useless because the DOL code is the critical link between the job seekers and any available job openings.

interview. If there were many more job applicants than job openings, only "walk-in" job applicants were referred to jobs. In addition, ES staff felt that food stamp work registrants were less employable, less willing to seek work, and more likely to terminate employment (because of moving from the area) than were other ES job applicants. Therefore, ES staff were reluctant to refer food stamp work registrants to openings with employers who had been served by the ES for several years. ES staff were sensitive to the criticism of employers that the suitability of the referrals they received from the ES was often questionable.

From the perspective of the FSAs, the work-registration procedures--which entailed identifying work registrants, referring them to the local SESA office, notifying the SESAs of changes in household circumstances, and applying sanctions for noncompliance--were a demand placed on staff in addition to their normal workloads. The primary responsibility of eligibility workers was to serve the needs of the population eligible for medical assistance, financial aid, food stamps, and referral to appropriate social services. If they indeed implemented the work-registration procedures, their perception was that the SESAs did not follow through by providing their services to food stamp recipients. Consequently, at most demonstration sites, the FSA staff concluded that work-registration procedures were largely ineffectual.

The work-registration requirements of the Food Stamp Program provide a penalty for noncompliance. The Food Stamp Act of 1977 specified a penalty for refusing to comply with the work-registration requirements without good cause:

> The household shall be ineligible to participate until the member complies with the requirements, . . . the (noncompliant) member becomes exempt, or for 2 months, whichever is earlier.

The purpose of the penalty was to deter work registrants from substituting food stamp benefits for earned income. Most ES and welfare staff thought that the severity of the penalty was sufficient for this purpose,[1] but that, on a

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[1] One welfare administrator felt that the penalty was too harsh because all members of the household could suffer from the actions of one member, a member over whom the others had no control.

practical basis, it was rarely applied and was thus less effective than it could have been otherwise.

The problem of enforcing the penalty, in those few cases in which the penalty process was involved, stemmed from the Food Stamp Program itself and the nature of the work registrant population. First, most food stamp cases with a work registrant in the household were certified for program participation for 3 months or less (about 78 percent). Second, food stamp regulations at the time of the demonstration took into account a situation that further shortened the period of time during which a food stamp recipient was a mandatory work registrant: if a household applied for food stamps at any time during the month and was eligible for the program in that month, the certification period for the case began on the first day of that month, and the household received food stamps for the full month (i.e., retroactively to the first of the month).

In effect, the certification periods that were recorded in case files overestimated the actual length of time during which mandatory work registration was in force. Another consideration which affected the ability to enforce sanctions for noncompliance was that the food stamps were usually distributed to certified households during the first half of the month. Therefore, in the last month of the certification period, food stamps were likely to be disbursed before the middle of the month and, hence, before any sanction could be applied for failing to comply with the work-registration requirement in that month.

In summary, we have found little evidence that the work-registration requirement in the Food Stamp Program, as it was carried out during the demonstration period, accomplished its intended goals:

- To help employable persons obtain employment and, thus, to minimize their need for food stamp assistance
- To prevent persons who could work, but chose not to, from participating in the program

EMPLOYMENT SERVICE EFFECTIVENESS IN PLACING FOOD STAMP WORK REGISTRANTS

A recurring theme in the demonstration was the perception of the jobs component and Food Stamp Agency staff at both the demonstration and comparison sites that the work-registration requirement was ineffectual, and that the ES was not effective in its role of placing food stamp work registrants into private-sector, unsubsidized employment. For work registration to be effective, it was necessary to accomplish several tasks in a timely, coordinated way.

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First, when FSAs referred work registrants to the SESAs, suitable job openings had to be available and qualified work registrants referred to them. The FSA also played a significant role in work registration, since it determined eligibility and referred nonexempt recipients to the ES. The performance of the FSA also had an impact on determining the effectiveness of work registration.

This issue of the effectiveness of work registration can be investigated by summarizing the results of a special study undertaken for this purpose--referred to as the Employment Service Tracings. Qualitative information reported to field staff is also discussed.

ES tracings were conducted in each demonstration and comparison site during process analysis field visits. Based on a random sample of work registrants selected at each food stamp office, the work-registration services that each person received from the ES were determined by using a record check conducted at the ES. The results reported here are based on this sample. Figure B.1 summarizes the results for the 14 demonstration sites in terms of the percentage of the sample drawn at the food stamp office (a total of 606 cases) who were known to have reached each of the indicated stages in the work-registration process. Figure B.2 reports the actual number of cases at each stage. Figure B.3 expresses the flow at each stage as a percentage of the cases at the immediately preceding stage. (Figures B.4 and B.5 show the percentages and numbers of a similar sample at the comparison site.)[1]

First, no record could be found at the ES for slightly over 10 percent of the sample, despite the fact that food stamp office records indicated that the case had been determined eligible for work registration and had been referred to the ES (Figures B.1 and B.3). This is indicative of communication problems between the ES and Food Stamp Agencies which were mentioned frequently at both the demonstration and comparison sites. For instance, it was frequently noted by food stamp staff that the ES seldom notified the food stamp office of the outcome of work registration for a given case. However, the food stamp office seldom undertook any ongoing work-registration verification. This lack of communication is not unusual, because the food stamp office and the ES were parts of separate agencies at the demonstration sites. However, in two sites, the food stamp office and the ES were both in

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[1]Since the results are very similar, the discussion concentrates on the demonstration sample.

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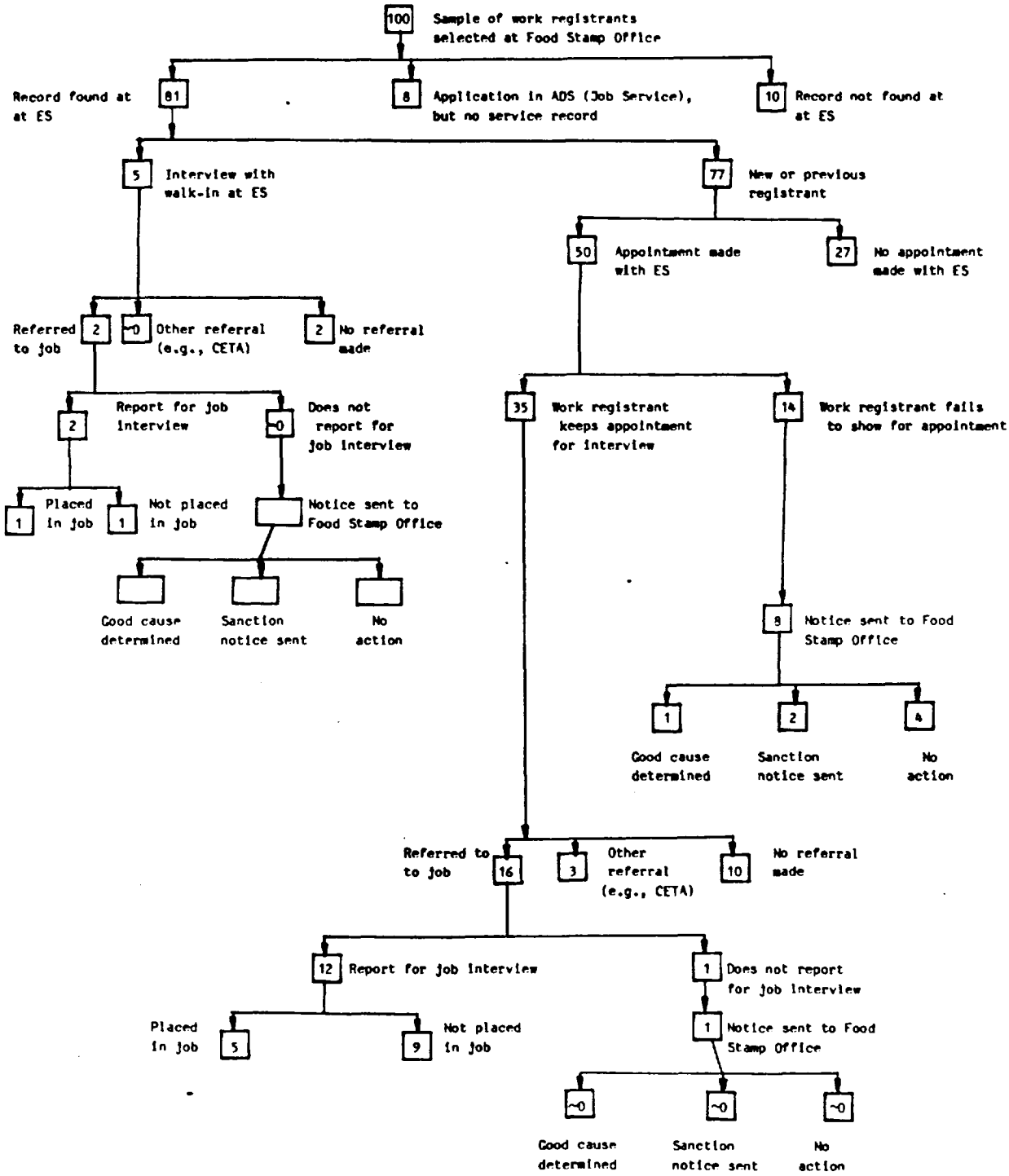
FIGURE B.1

WORK REGISTRATION TRACING SUMMARY:
ALL DEMONSTRATION SITES
(percentage)



NOTE: Subtotals may not add up to the preceding total due to rounding or unavailable information.

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FIGURE B.2

WORK REGISTRATION TRACING SUMMARY:
ALL DEMONSTRATION SITES
(number of participants)

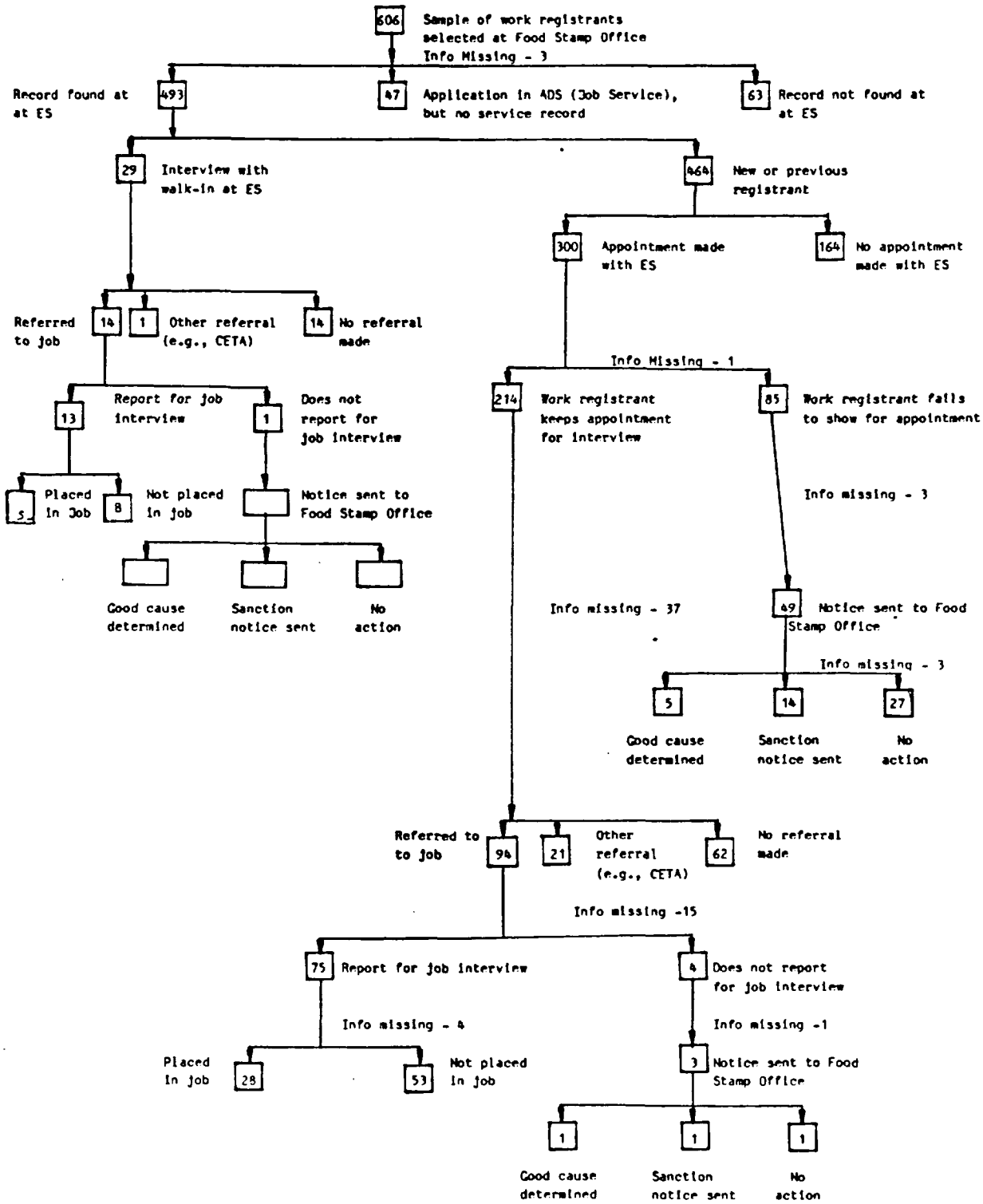

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FIGURE B.3

WORK REGISTRATION TRACING SUMMARY:
ALL DEMONSTRATION SITES
(percent of previous mode)

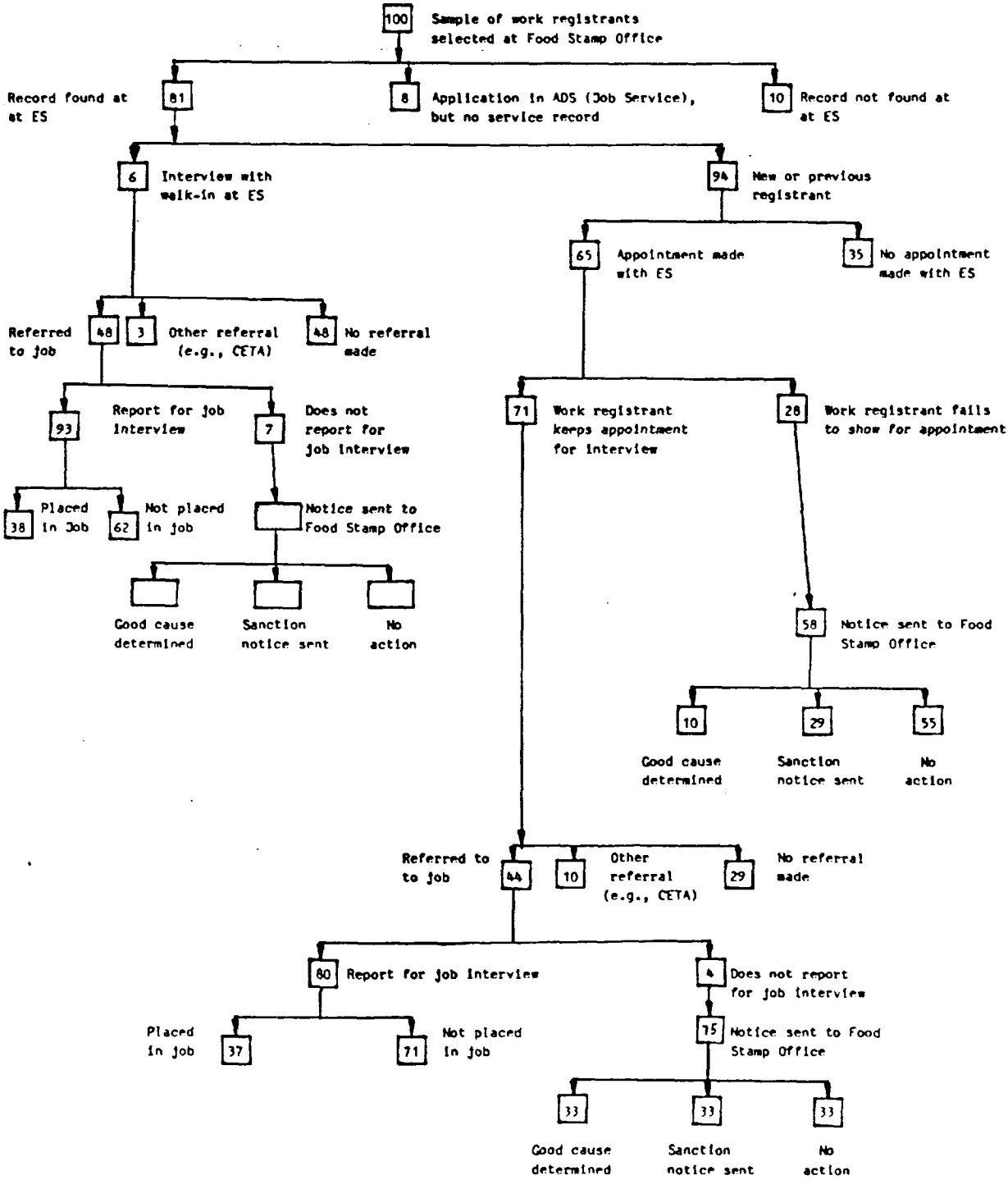

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FIGURE B.4

WORK REGISTRATION TRACING SUMMARY:
ALL COMPARISON SITES
(percentage)

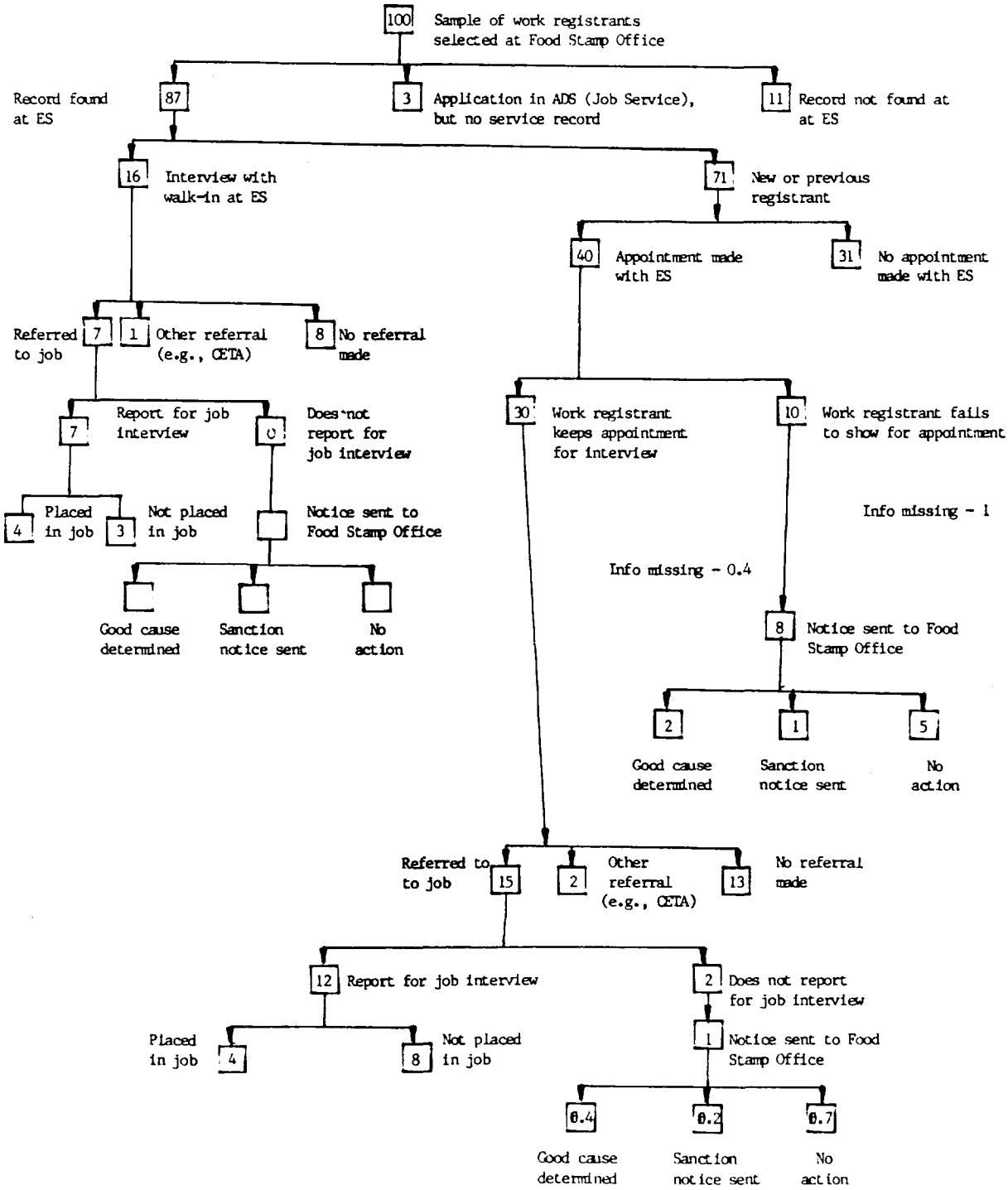

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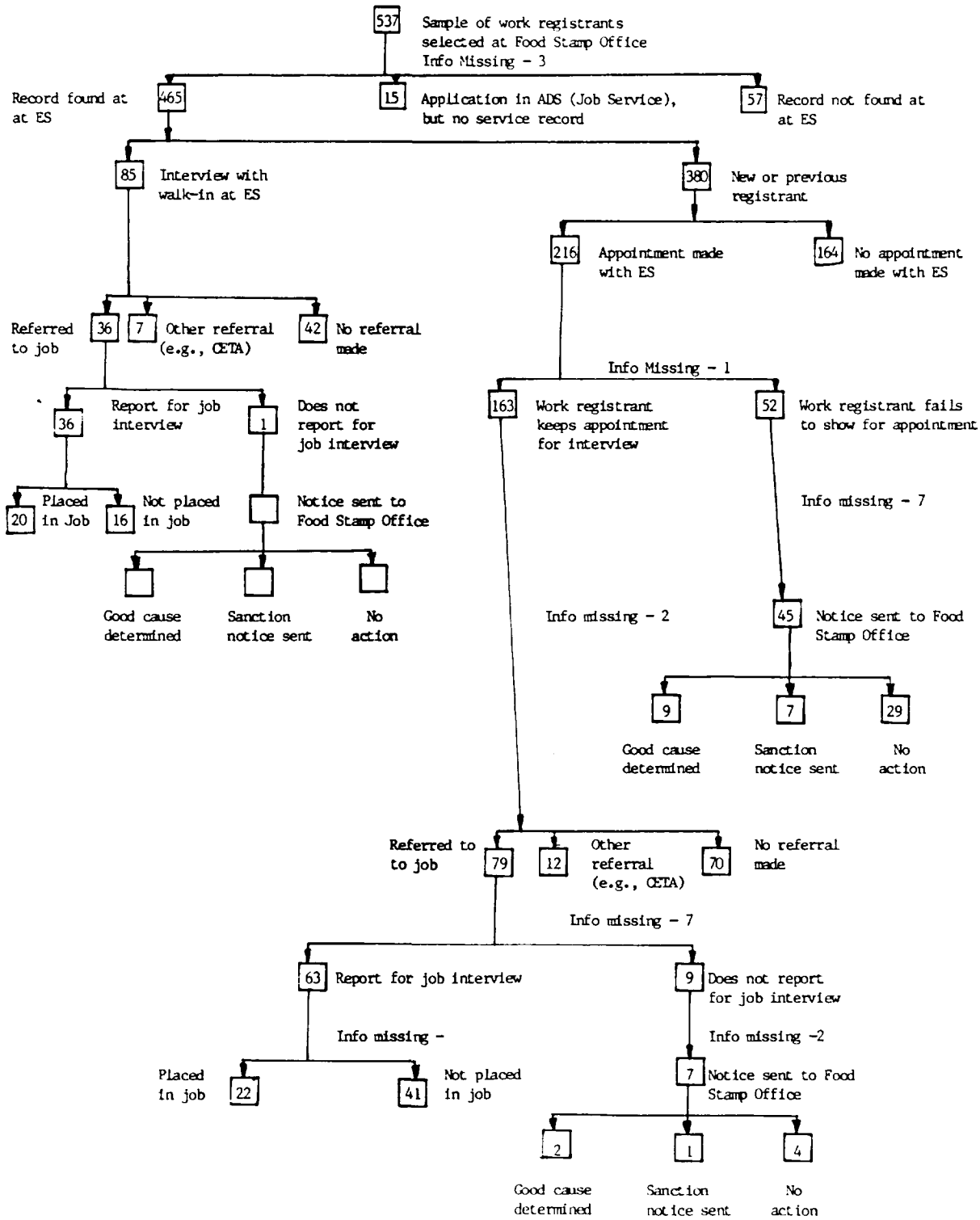
FIGURE B.5

WORK REGISTRATION TRACING SUMMARY:
ALL COMPARISON SITES
(number of participants)



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the same agency. Combining these two sites, no record could be found at the ES for approximately 10 percent of the cases.

Only 5 percent of the work registrants were interviewed by the ES on a walk-in (i.e., a voluntary) basis, unrelated to the work-registration requirement. At the same time, new or previous registrants accounted for over 94 percent of the work registrants whose records were found at the ES.

The next step in the work-registration process was for the ES to schedule work registrants for interviews. A variety of methods were employed, including letters and telephone calls followed by mailed confirmation. However, as indicated in Figure B.3, no interview appointment was made for over one-third of the registrants who could have been scheduled. The site-to-site variation was substantial, from a high of 100 percent scheduled for interview to a low of 4 percent of the cases scheduled.

In several sites, ES staff reported that work-registration forms received from the food stamp office were often incomplete. This was attributed to a difference in the regulations governing the ES and the food stamp office. Apparently, food stamp regulations did not require that the food stamp office obtain from work registrants (and thus subsequently transmit to the ES on the work-registration form) all of the information required by the ES to undertake work registration. For example, in cases of incomplete information, the ES was usually unable to assign a full 9-digit DOT code to work registrants. Without the full 9-digit DOT code, the work registrants could not be fully registered.[1]

The determinants of local ES office policy in terms of which work registrants were called in was highly

employers (i.e., had high potential for placement).[1] However, registrants could be referred only if they were fully registered. Hence, a partially completed work-registration form would disqualify work registrants for placement. Only one site called in work registrants to correct their incomplete work-registration forms. In other sites, the work-registration form was returned to the food stamp office for completion, and/or the ES office would partially register the individual based on whatever information was contained on the form itself.[2] However, given the workload of most ES offices, along with the fact that ES funding for work-registration activities was not performance-based, the typical local office response was to assign partially registered work registrants low priority for placement. Finally, the shortness of the certification periods may have effectively precluded the ES from serving food stamp work registrants up through and including placement.

As indicated in Figure B.3, over 70 percent of the work registrants who were scheduled for an assessment interview kept their appointments. However, those who were called in were typically registrants who had the greatest potential for placement. The 70 percent rate of cooperation with the assessment interview should not be extrapolated to all work registrants. Those who kept appointments represented barely one-third of the sample selected at the food stamp office (see Figure B.1). Thus, the lack of communication between the local ES and the Food Stamp Agency in terms of the completion of the work-registration form, in conjunction with the apparent "creaming" of work registrants by some ES offices, appears to be a major contributor to the large decline in the number of work registrants who made it to the assessment interview stage.

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[1] In half of the sites, the ES reported that its (official or unofficial) policy was not to call in persons who were on strike against their employer. In several sites, persons on temporary layoff would also not be called in.

[2] At one site, the ES reported that it was prohibited by state regulations from calling in a person just for the purpose of completing the form. An interesting consequence of this policy was noted. In most cases, the form was incomplete when it was received by the ES. In the absence of a completed form, work registrants were not served--unless an individual had the initiative to go to the ES on his/her own, at which time he/she could complete the form. Such an individual would then be active in the work-registration program at the ES, and hence subject to sanction for any subsequent noncompliance with work registration.

Of those who kept assessment interviews, less than half were ever referred to a job. Anecdotal evidence suggests that for many of these work registrants an important reason for their nonreferral to a job was transportation difficulties. This was particularly true in the rural, low-income sites, where the dispersion of the population and of employment opportunities, combined with an absence of public transportation, effectively disqualified most work registrants from placement if they did not have access to an automobile. Indeed, the proximity of a work registrant's home to potential employers was often a criterion for call-in (persons would be called in only if they had transportation available and/or lived close to employers listed with the ES).

Most ES offices "mainstreamed" work registrants; that is, the (fully registered) work registrants were integrated into the client pool and served in a manner identical to that for walk-in ES clients. In general, however, work registrants were judged to be less employable than were general ES clients. Hence, most work registrants were assigned low priority for placement by the ES. The result was that only 5.5 percent of the 606 persons in the original sample were successfully placed by the ES (this 5.5 percent includes the placement of five work registrants who had walk-in interviews at the ES).

In summary, the following factors appear to have had important effects on the implementation of the work registration of food stamp recipients:

- Different Food Stamp Agency and ES expectations/requirements about the extent to which the work-registration form was complete
- No resolution of the above difference at either the federal, state, or local level
- The assignment of low priority to individuals with the lowest employment potential, a category likely to include most food stamp work registrants
- Local exemption by the ES of persons out of work due to strikes and temporary layoff, who nonetheless were eligible for food stamps
- A reimbursement system for the ES that did not provide rewards for the placement of food stamp work registrants

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APPENDIX C:

SPECIFICATION, ESTIMATION, AND RESULTS OF THE REGRESSION-ADJUSTMENT MODEL

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Regression-adjusted estimates are based on the following regression:

$$(1) \qquad y = XB + d_{11}T_{11} + d_{12}T_{12} + d_{13}T_{13} + d_{21}T_{21} + d_{22}T_{22} + d_{23}T_{23} + f_1C_1 + f_2C_2 + e,$$

where y is the outcome variable of interest; X represents the sample stratification variables used for comparison group matching; T_{11}, T_{12}, and T_{13} are binary variables indicating, respectively, whether the observation is a pre-referral-period observation for a workfare participant, an individual who was assigned but never worked, and "other participant status"; T_{21}, T_{22}, and T_{23} are similar participation-type indicator variables for the post-referral period; C_1 and C_2 are comparison-site indicator variables for the pre-referral and post-referral periods; and e is a regression disturbance. The impacts of the demonstration on each participant type were computed as:

$$(2) \qquad D_1 = (\hat{d}_{21} - \hat{d}_{11}) - (\hat{f}_2 - \hat{f}_1)$$

$$D_2 = (\hat{d}_{22} - \hat{d}_{12}) - (\hat{f}_2 - \hat{f}_1)$$

$$D_3 = (\hat{d}_{23} - \hat{d}_{13}) - (\hat{f}_2 - \hat{f}_1).$$

The overall impacts of the demonstration were then estimated by weighting the impact on each type of participant by that group's share of the total demonstration population, as in (3):

$$(3) \qquad D = \frac{N_1}{N} D_1 + \frac{N_2}{N} D_2 + \frac{N_3}{N} D_3.$$

It is important to realize that while the overall estimate of the demonstration effect, D, is unbiased, the estimates D_1, D_2, and D_3 for separate participant types are not, because the level of participation represents a choice by demonstration-site work registrants that is likely to depend on unmeasured factors that also influence the

important outcome variables.[1] Therefore, the estimates D_1, D_2, and D_3 must be interpreted very carefully. Nonetheless, the overall estimates of the impacts of the demonstration are unbiased, provided that no unmeasured differences exist between the demonstration and comparison samples.

The precision of the estimates of the impacts of the demonstration is an important issue. The more precise these estimates are (i.e., the lower their variance is), the more confident we can be that demonstration/comparison-group differences are not due to chance. The issue of the precision of our estimates pertains primarily to the manner in which the regression model accounts for the variation in unmeasured factors.

In general, panel data display a particular pattern of variation in unmeasured and random factors. With panel data, the variation in some outcome variable (such as earnings) often depends on unmeasured factors that are specific to each individual (and which are thus relatively constant over time), as well as on time-varying factors and purely random factors. Therefore, a variance (or error) components model for the regression disturbance, in which the variance of the regression disturbance is the sum of a cross-sectional component, a time-series component, and the variance of a purely random error, is often appropriate. Special generalized least squares (GLS) methods must be used to estimate these models, because the OLS estimates of the precision of the demonstration effects are incorrect. The degree to which using a GLS procedure improves the estimated standard errors is an empirical question that must be weighed against the added computational expense of GLS over OLS.

Accordingly, we considered three specifications of the regression model:

1. A pooled time-series/cross-sectional model in which each person month is treated as an independent observation (such a model would be estimated with OLS, using monthly observations)

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[1] The expectation of the regression disturbance (e) in the outcome equation (1) will depend on the participant type, which is an included variable. Least squares estimates are biased in this situation.

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2. A pooled variance-component model in which the error term consists of a time-specific component, an individual-specific component, and a random component (such a model would be estimated with GLS, using monthly observations)

3. A simple cross-sectional model in which no individual variation over time occurs within the pre- and post-referral periods (such a model would be estimated with OLS, using average monthly values for each individual during the pre- and post-referral periods)

Since all of the regressors in our model are measured as of the month of first referral, the model does not attempt to "explain" the intertemporal variation in outcomes for any individual. Thus, the point estimates of the impacts should be similar for all three model specifications.[1] Furthermore, the simple cross-sectional model provides conservative estimates of standard errors, at much lower computational cost than the variance-component model. Therefore, the results reported in Section 5.3.1 are based on the simple cross-sectional model. Full regression results are presented in Tables C.1 and C.2.

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[1] This was the case in several tests.

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TABLE C.1

ESTIMATED COEFFICIENTS OF THE REGRESSION MODELS USED TO COMPUTE AVERAGE WORKFARE IMPACTS: MALES
(Standard errors of the estimates in parentheses)

	Percent of Months Receiving Food Stamps	Average Monthly Food Stamp Amount	Percent of Months Working in Paid Jobs Each Month	Average Hours Per Month Worked in Paid Jobs	Average Earnings Per Month In Paid Jobs
Certification Period One Month	-0.03 (0.02)	-1.97 (3.98)	-0.003 (0.02)	-2.67 (3.77)	-81.30*** (31.24)
Household Size Equal to 1	-0.12*** (0.02)	-59.95*** (3.15)	-0.09*** (0.02)	-19.81*** (2.98)	-168.45*** (24.69)
Ethnic Group Nonwhite	0.14*** (0.02)	22.36*** (3.37)	-0.11*** (0.02)	-20.45*** (3.19)	-172.48*** (26.41)
Age Less than 30	-0.05*** (0.02)	-12.35*** (3.03)	0.03 (0.02)	4.62 (2.87)	-49.07** (23.75)
Participation Status/Time Period:					
Participant group 1, Pre-reference month period	0.45*** (0.03)	76.80*** (5.05)	0.45*** (0.03)	63.50*** (4.77)	438.12*** (39.57)
Participant group 2, Pre-reference month period	0.42*** (0.04)	85.51*** (6.65)	0.54*** (0.04)	79.81*** (6.30)	528.55*** (52.20)
Participant group 3, Pre-program reference month period	0.33*** (0.03)	62.22*** (4.73)	0.60*** (0.03)	94.32*** (4.48)	739.51*** (37.13)
Participant group 1, Post-reference month period	0.68*** (0.03)	105.10*** (5.05)	0.49*** (0.03)	62.19*** (4.77)	391.71*** (39.57)
Participant group 2, Post-reference month period	0.50*** (0.04)	93.38*** (6.65)	0.64*** (0.04)	85.47*** (6.30)	537.80*** (52.20)
Participant group 3, Post-reference month period	0.38*** (0.03)	71.87*** (4.73)	0.69*** (0.03)	101.23*** (4.48)	780.13*** (37.13)
Comparison group, Pre-reference month period	0.37*** (0.02)	71.94*** (4.10)	0.54*** (0.02)	79.32*** (3.88)	586.03*** (32.18)
Comparison group, Post-reference month period	0.58*** (0.02)	99.19*** (4.10)	0.55*** (0.02)	76.18*** (3.88)	570.04*** (32.18)
Number of Observations	1,973	1,973	1,973	1,973	1,973
Adjusted R^2	0.61	0.50	0.66	0.56	0.44

NOTE: * indicates that the hypothesis that the coefficient equals zero can be rejected at the 90 percent confidence level.
** indicates that the hypothesis that the coefficient equals zero can be rejected at the 95 percent confidence level.
*** indicates that the hypothesis that the coefficient equals zero can be rejected at the 99 percent confidence level.

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TABLE C.2

ESTIMATED COEFFICIENTS OF THE REGRESSION MODELS USED TO COMPUTE AVERAGE WORKFARE IMPACTS: FEMALES
(Standard errors of the estimates in parentheses)

	Percent of Months Receiving Food Stamps	Average Monthly Food Stamp Amount	Percent of Months Working in Paid Jobs Each Month	Average Hours Per Month Worked in Paid Jobs	Average Earnings Per Month In Paid Jobs
Certification Period One Month	-0.04 (0.03)	-4.28 (5.35)	0.008 (0.03)	-4.01 (4.17)	-4.79 (19.73)
Household Size Equal to 1	-0.04 (0.02)	-42.00*** (3.99)	0.06*** (0.02)	8.74*** (3.10)	29.14*** (14.10)
Ethnic Group Nonwhite	0.14*** (0.02)	34.61*** (4.12)	-0.06*** (0.02)	-10.67*** (3.20)	-46.78*** (15.18)
Age Less than 30	-0.11*** (0.02)	-7.03* (4.03)	0.04** (0.02)	7.02** (3.14)	37.77*** (14.86)
Participation Status/Time Period:					
Participant group 1, Pre-reference month period	0.54*** (0.03)	73.56*** (5.81)	0.19*** (0.03)	23.47*** (4.52)	81.29*** (21.41)
Participant group 2, Pre-reference month period	0.50*** (0.05)	72.33*** (9.14)	0.26*** (0.05)	32.20*** (7.11)	116.49*** (33.69)
Participant group 3, Pre-program reference month period	0.44*** (0.03)	52.65*** (6.17)	0.25*** (0.03)	32.52*** (4.80)	129.35*** (22.73)
Participant group 1, Post-reference month period	0.72*** (0.03)	90.57*** (5.81)	0.20*** (0.03)	19.54*** (4.52)	66.10*** (21.41)
Participant group 2, Post-reference month period	0.51*** (0.05)	72.47*** (9.14)	0.35*** (0.05)	41.56*** (7.11)	138.54*** (33.69)
Participant group 3, Post-reference month period	0.48*** (0.03)	63.40*** (6.14)	0.28*** (0.03)	39.05*** (4.78)	141.46*** (22.64)
Comparison group, Pre-reference month period	0.43*** (0.03)	57.87*** (5.25)	0.31*** (0.03)	37.75*** (4.08)	172.23*** (19.34)
Comparison group, Post-reference month period	0.70*** (0.03)	86.93*** (5.25)	0.26*** (0.03)	31.40*** (4.08)	128.70*** (19.34)
Number of Observations	1,180	1,180	1,180	1,180	1,180
Adjusted R^2	0.68	0.51	0.40	0.33	0.26

NOTE: * indicates that the hypothesis that the coefficient equals zero can be rejected at the 90 percent confidence level.
** indicates that the hypothesis that the coefficient equals zero can be rejected at the 95 percent confidence level.
*** indicates that the hypothesis that the coefficient equals zero can be rejected at the 99 percent confidence level.

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APPENDIX D:

SENSITIVITY TESTS

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This appendix describes the computation of alternative estimates of the impacts of workfare and reports the estimates. Ten estimates are compared. Five variants use regression-adjusted difference of differences:

1. **Basic Results.** Regression-adjusted difference of differences. Control variables include only sample design strata. Dependent variables are defined as monthly averages for the pre- or post-period months for which the individual has valid data. Separate estimates are computed for participation status groups, which are defined in terms of whether the individual (1) ever worked in a workfare job, (2) was ever assigned but never worked, or (3) was never assigned. The subgroup estimates are weighted by population shares in order to obtain an average overall impact.

2. **Basic Model, with Expanded Set of Personal Characteristics as Regressors.** Same as (1), except that additional control variables are included in the regression. These additional variables include a binary variable for whether a child younger than age 6 resided in the household, the highest grade level achieved, and the average monthly transfer program income (SSI, UI, AFDC, GA) in the pre-reference period.

3. **Basic Model, with Local Area Unemployment Rate as a Regressor.** Same as (1), except that the average local area unemployment rate over the period is included as an additional control variable in the regression.

4. **Basic Model, Pooled Monthly Data.** Same as (1), except that individual person months are the unit of observation. Person months for a given individual are assumed to be independent observations. The model was estimated using OLS.

5. **Pooled Monthly Data, with Workfare Status Defined as of the Sample Month.** Same as (3), except that participation status groups are defined as of the sampling month rather than over the entire post-referral month. Sample design weights were defined in this way.

Five variants are based on simple difference of differences (no regression adjustment).

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6. **Comparison of Individual Unweighted Means.** Unweighted means of average monthly values for the pre- and post-reference periods are compared for demonstration and comparison samples.

7. **Comparison of Individual Weighted Means.** Same as (6), except that weighted pre- and post-means are used. The weights used for these computations are the "Wave 1 weight" on the Workfare "Working File" (see Ketron, Inc., "Documentation for the Public Use Database of the Evaluation of the Second Year of the Food Stamp Workfare Demonstration Project: Volume 1," April 1985, p. 146). It is our understanding that this weight incorporates adjustments to the sample design weights for interview nonresponse that were developed using a regression model that predicted the probability of nonresponse as a function of sample members' observed characteristics.

8. **Comparison of Unweighted Monthly Average, 5-Month Post-Reference Period.** Difference of differences of simple unweighted averages for each month during the pre- and post-reference periods. Post-reference period is 5 months.

9. **Comparison of Unweighted Monthly Averages, 5-Month Post-Reference Period, Wave 2 Respondents Only.** Same as (9), except that a 5-month rather than a 7-month post-reference period is used.

10. **Comparison of Site Means, Unweighted.** Computes "difference of difference" impact measure for each site, and then computes the simple unweighted average of these "site-level" impacts.

11. **Comparison of Site Means, Weighted.** Same as (9) except that the "site-level" impacts are weighted by each site's share of all participants in computing the overall average of site impacts.

The results of the estimates are shown in Tables D.1 to D.4.

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TABLE D.1

SUMMARY OF ALTERNATIVE ESTIMATES OF THE IMPACTS OF WORKFARE
ON SELECTED OUTCOMES:
REGRESSION-ADJUSTED MEANS
(Males)

	(1) Basic Results	(2) Basic Model, with Expanded Set of Personal Characteristics as Control Variables	(3) Basic Model, with Area Unemployment Rate as a Control Variable	(4) Based on Pooled Monthly Data	(5) Based on Pooled Monthly Data, with Workfare Status Defined as of Sample Month
Percentage Receiving Food Stamps Each Month	-12%	-9%	-12%	-12%	-11%
Monthly Food Stamp Amount	-$14	-$15	-$14	-$16	-$15
Percentage Working Each Month	6%	6%	6%	6%	6%
Hours Worked per Month	8.2	7.1	8.0	10.0	8.0
Earnings per Month	$33.0	$24	$32.3	$41.7	33.1

NOTE: All computations are based on the entire Wave 1 sample. Column numbers correspond to the numbers used to designate each alternative.

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TABLE D.2

SUMMARY OF ALTERNATIVE ESTIMATES OF THE IMPACTS OF WORKFARE
ON SELECTED OUTCOMES:
SIMPLE MEANS
(Males)

	(5) Comparison of Individual Unweighted Means for the Pre- and Post-Reference Periods	(6) Comparison of Individual Weighted Means for the Pre- and Post-Reference Periods	(7) Comparison of Unweighted Monthly Averages, 5-Month Post-Reference Period	(8) Comparison of Unweighted Monthly Averages, 5-Month Post-Reference Period: Wave 2 Sample	(9) Comparison of Site Means, Simple Means, Unweighted	(10) Comparison of Site Means, Simple Means Weighted by Sites, of All Workfare Referrals
Percentage Receiving Food Stamps Each Month	-9%	-10%	-9%	-7%	-9%	-9%
Monthly Food Stamp Amount	-$11	-$8	-$11	-$24	-$9	-$11
Percentage Working Each Month	6%	5%	7%	5%	8%	5%
Hours Worked per Month	6.7	6.8	NA	NA	9	6
Earnings per Month	$18.3	$22.7	$20.0	-$5	-$1	$7

NOTE: Except as noted, all computations are based on the entire Wave 1 sample. Column numbers correspond to the numbers used to designate each alternative in the text.

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TABLE D.3

SUMMARY OF ALTERNATIVE ESTIMATES OF THE IMPACTS OF WORKFARE ON SELECTED OUTCOMES: REGRESSION-ADJUSTED MEANS (Females)

	(1) Basic Results	(2) Basic Model, with Expanded Set of Personal Characteristics as Control Variables	(3) Basic Model, with Area Unemployment Rate as a Control Variable	(4) Based on Pooled Monthly Data	(5) Based on Pooled Monthly Data, with Workfare Status Defined as of Sample Month
Percentage Receiving Food Stamps Each Month	-20%	-23%	-20%	-24%	-22%
Monthly Food Stamp Amount	-$19	-$20	-$19	-$22	-$20
Percentage Working Each Month	9%	11%	9%	11%	10%
Hours Worked per Month	11	12	10.7	12.1	8.0
Earnings per Month	50	56	50.5	53.1	48.9

NOTE: All computations are based on the entire Wave 1 sample. Column numbers correspond to the numbers used to designate each alternative in the text.

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TABLE D.4

SUMMARY OF ALTERNATIVE ESTIMATES OF THE IMPACTS OF WORKFARE
ON SELECTED OUTCOMES:
SIMPLE MEANS
(Females)

	(5) Comparison of Individual Unweighted Means for the Pre- and Post-Reference Periods	(6) Comparison of Individual Weighted Means for the Pre- and Post-Reference Periods	(7) Comparison of Unweighted Monthly Averages, 5-Month Post-Reference Period	(8) Comparison of Unweighted Monthly Averages, 5-Month Post-Reference Period: Wave 2 Sample	(9) Comparison of Site Means, Simple Means, Unweighted	(10) Comparison of Site Means, Simple Means, Weighted by Site's Share of Total Participants
Percentage Receiving Food Stamps Each Month	-18%	-18%	-22%	-24%	-15%	17%
Monthly Food Stamp Amount	-$17	-$30	-$18	-$19	$15	-$16
Percentage Working Each Month	9%	11%	9%	6%	5%	10%
Hours Worked per Month	9.0	13.3	NA	NA	4.8	10.4
Earnings per Month	$42.0	$50.0	$58.0	$51.0	$24.0	$50.5

NOTE: Except as noted, all computations are based on the entire Wave 1 sample. Column numbers correspond to the numbers used to designate each alternative in the text.

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APPENDIX E:

SUPPLEMENTARY DATA

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The following figures display unweighted monthly averages of key dependent variables. Figures E.1.A through E.1.D show data for demonstration- and comparison-site males. Figures E.2.A through E.2.D show corresponding data for females.

Table E.1 contains data on the characteristics of participants at each site. Tables E.2.A through E.2.F provide additional tabulations associated with the impact analysis in Chapter 5.

Tables E.3 through E.7 provide back-up information to the workfare cost analysis in Chapter 6.

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FIGURE E.1.A
Average Food Stamp Benefit Amount
Males, Unweighted Data

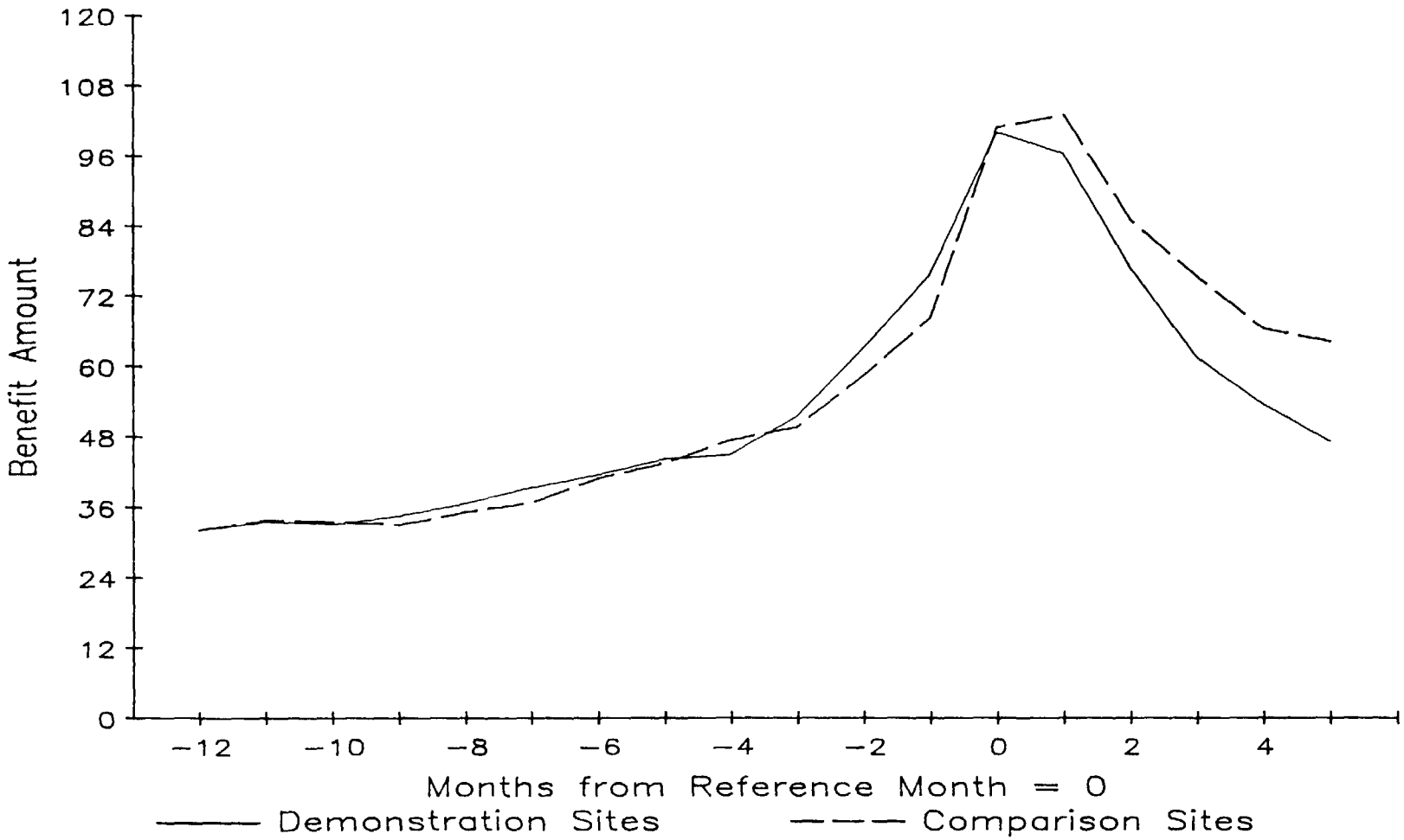

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FIGURE E.1.B

Proportion Working During the Month
Males, Unweighted Data

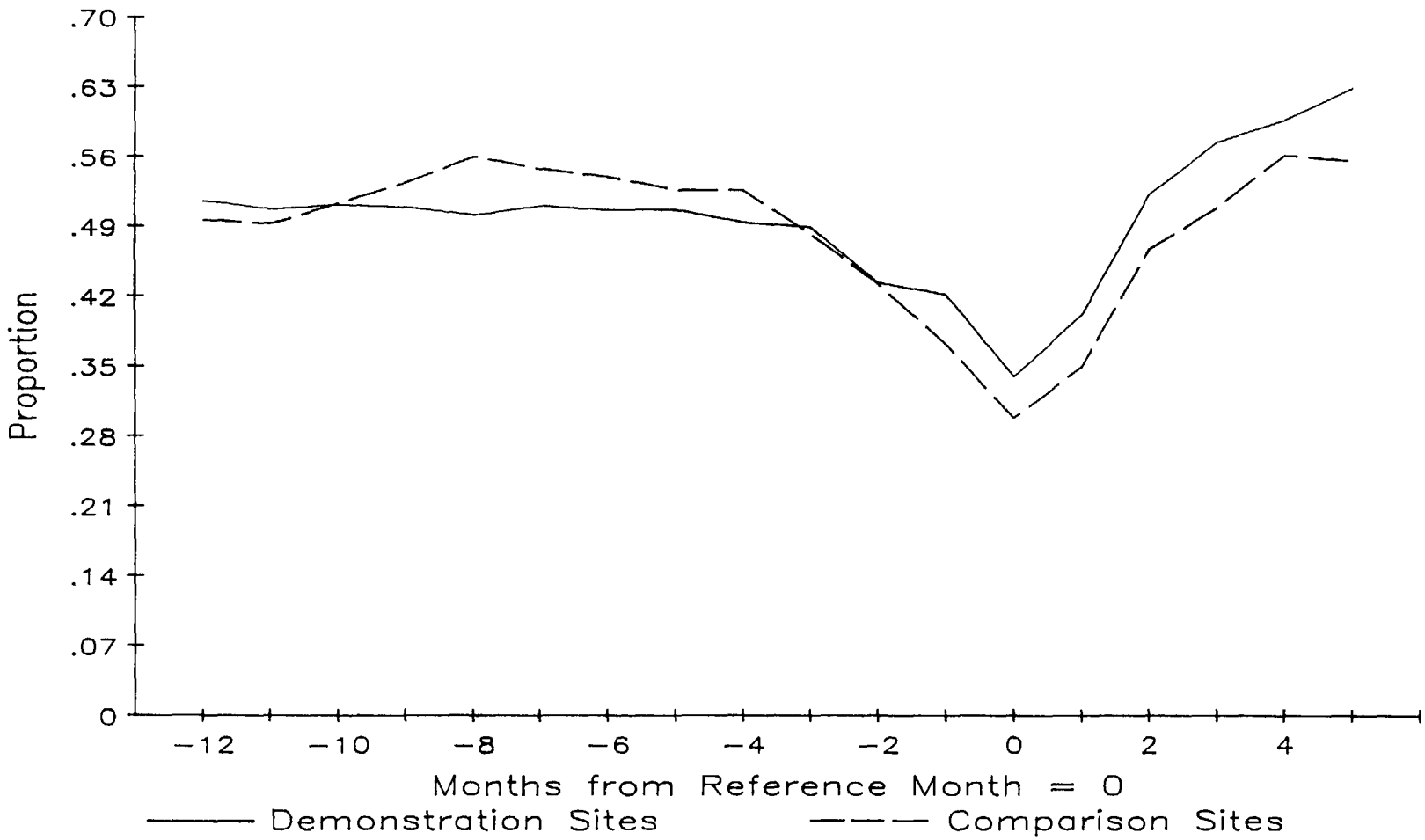

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FIGURE E.1.C

Average Hours Worked
Males, Unweighted Data

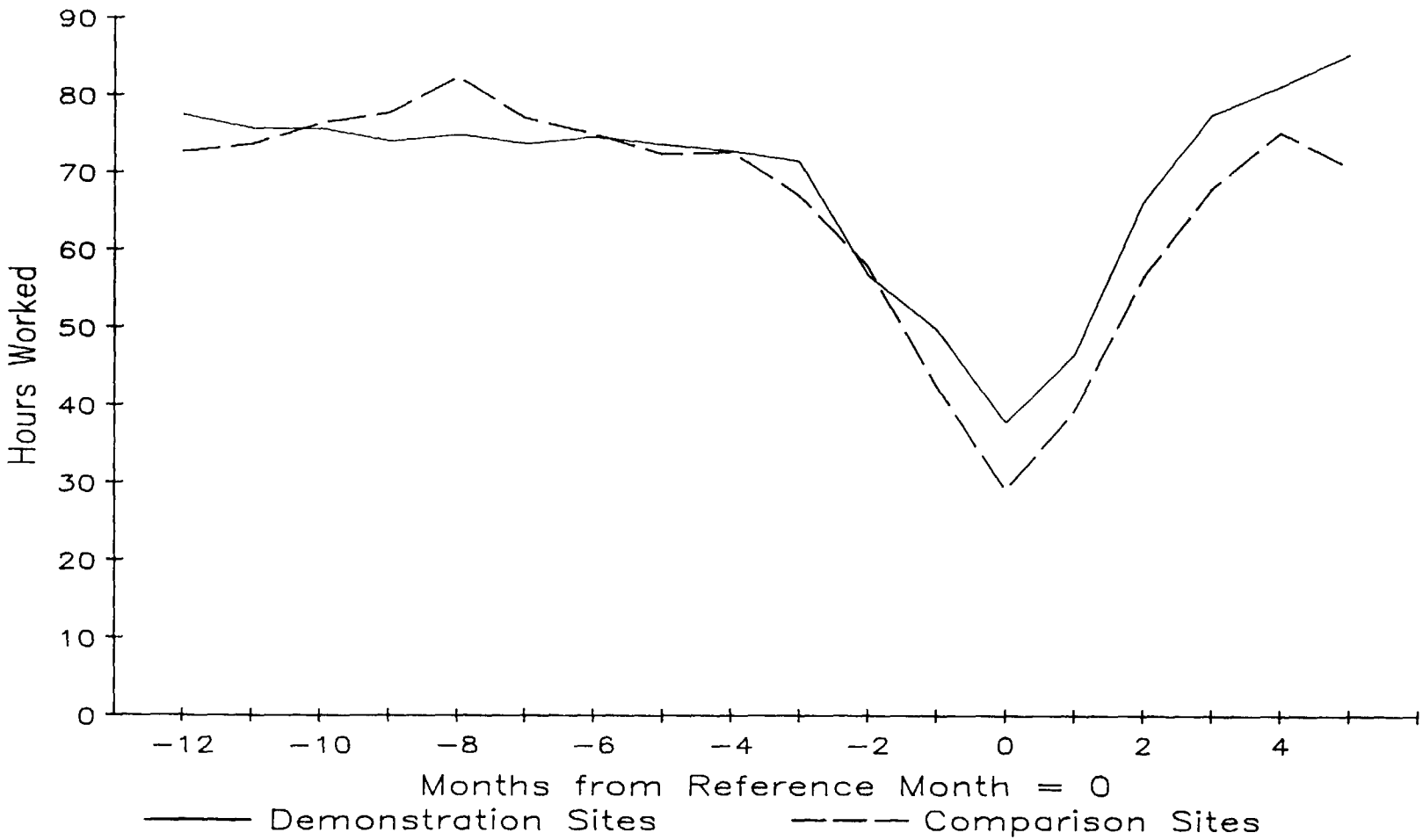

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FIGURE E.1.D

Average Earnings

Males, Unweighted Data

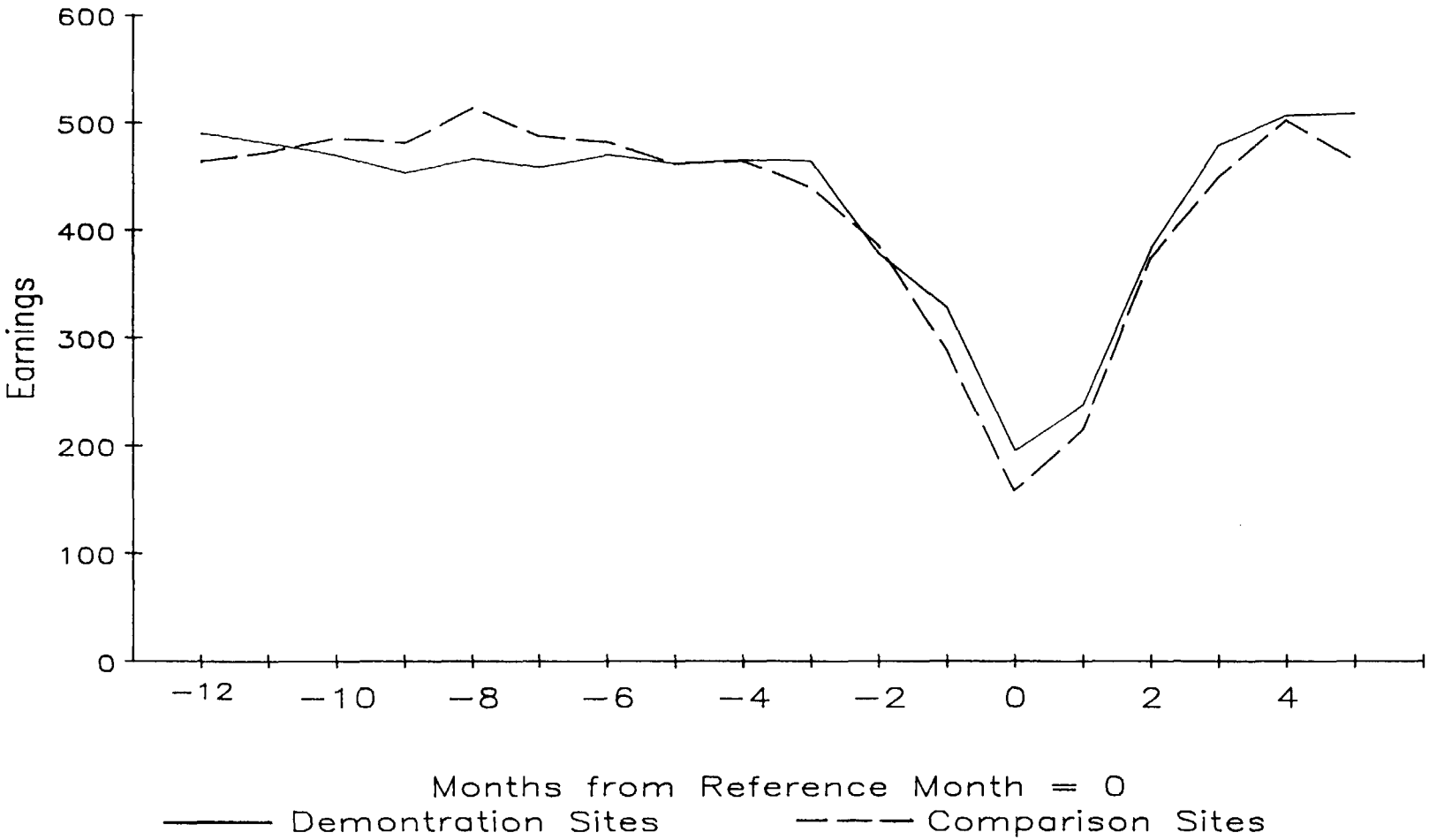

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FIGURE E.2.A
Average Food Stamp Benefit Amount
Females, Unweighted Data

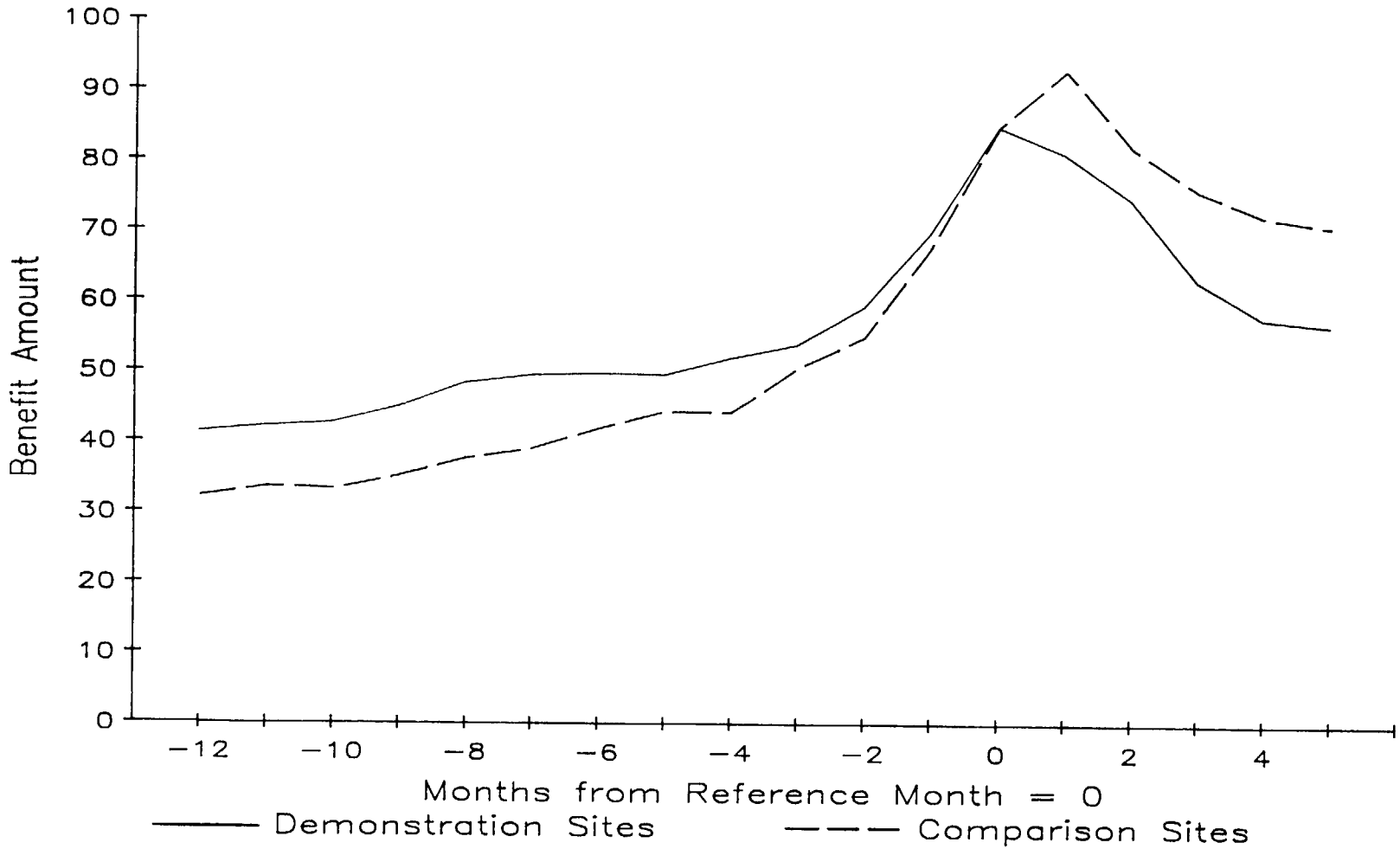

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FIGURE E.2.B

Proportion Working During the Month
Females, Unweighted Data

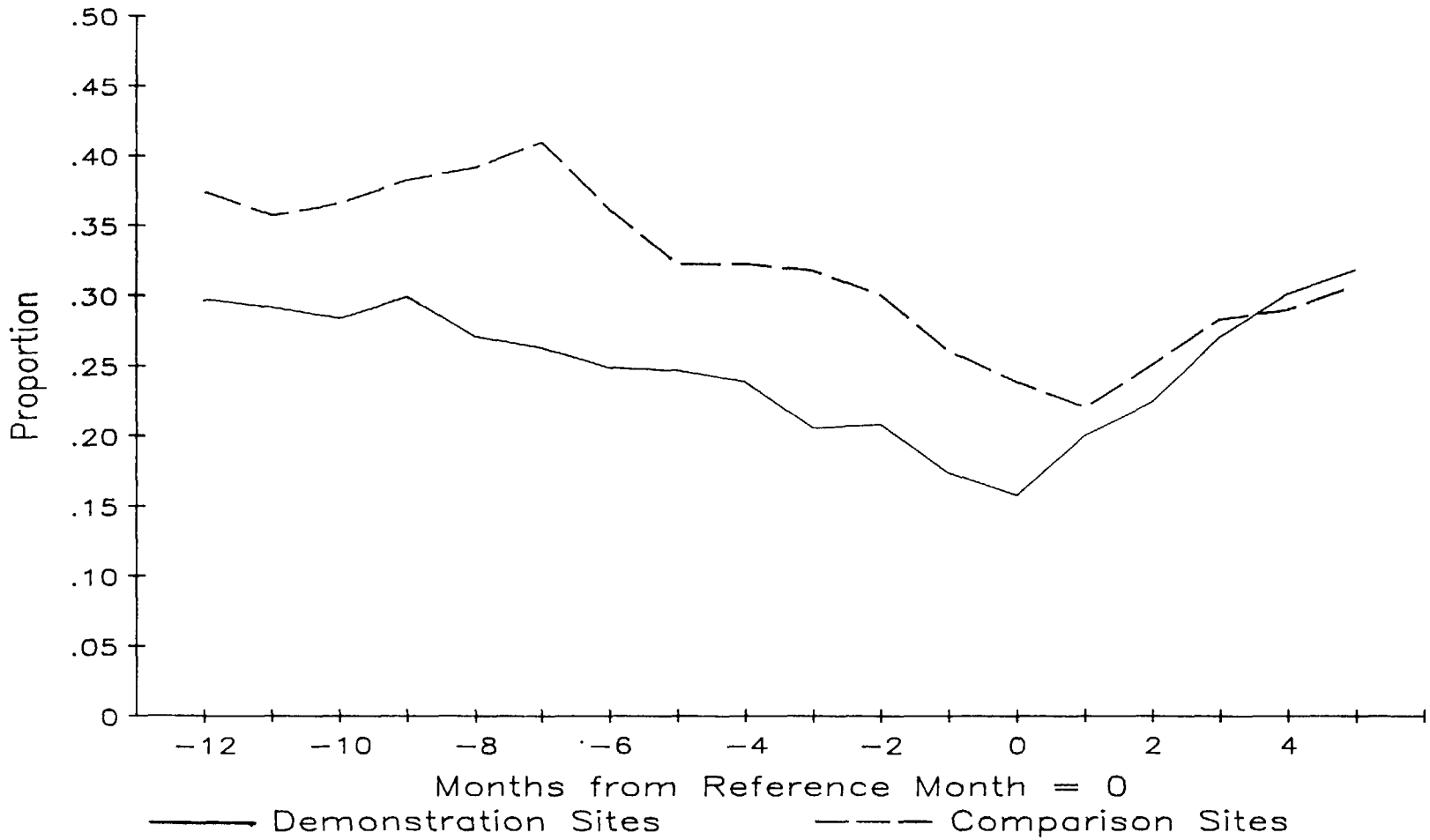

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FIGURE E.2.C

Average Hours Worked
Females, Unweighted Data

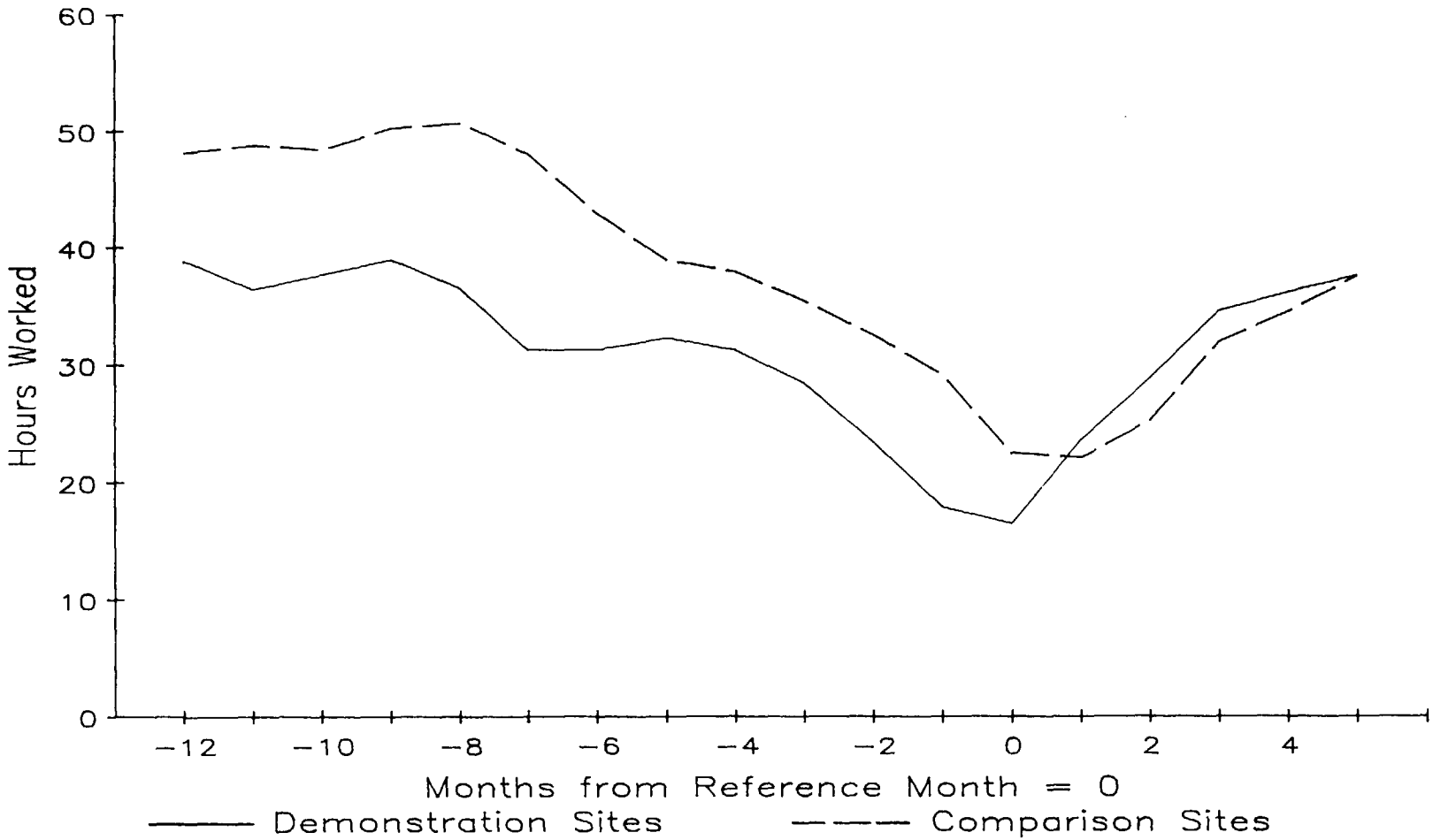

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FIGURE E.2.D

Average Earnings

Females, Unweighted Data

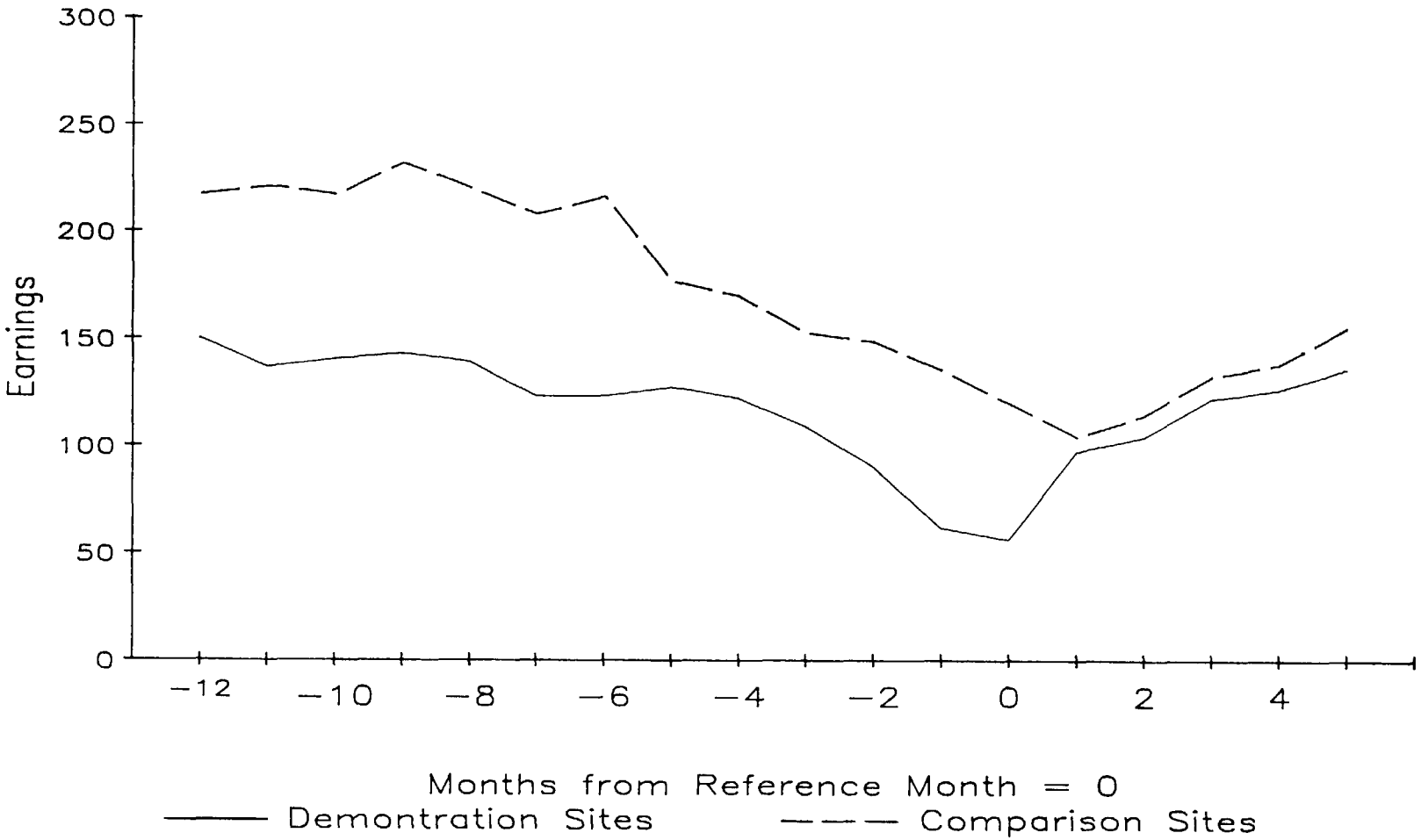

TABLE E.1

CHARACTERISTICS OF ALL WORKFARE PARTICIPANTS BY SITE
(December 1980 through December 1981)

	Yuma	Lonoke	Sebastian/ Crawford	San Diego[a]	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell	All Sites
Number of Participants	1,119	240	1,126	12,445	3,506	1,591	221	305	2,296	428	897	1,819	749	1,642	28,384
Percent Male	79.4	70.0	74.4	64.7	67.3	74.3	51.6	72.5	67.2	65.2	52.9	61.6	75.8	85.6	67.7
Average Age (Years, as of July 1981)	35.0	32.7	32.9	29.0	32.6	31.5	33.6	30.0	30.6	27.9	34.2	34.2	29.5	32.0	30.9
Average Education (Years)	10.4	9.8	9.9	11.9	11.0	10.9	11.9	10.8	11.0	11.1	10.4	9.8	11.7	9.8	11.1
Average Length of Certification Period (Months)	2.2	2.8	1.9	3.8	3.4	2.4	4.7	2.6	1.8	4.8	2.4	2.5	2.7	3.2	3.2
Gross Earned Income ($ per month)[b]	5.1	12.3	13.0	3.6	5.5	7.1	6.8	4.9	7.6	17.7	6.9	8.7	6.4	89.0	10.4
Average Household Size (Persons)	2.1	3.5	3.3	1.4	2.1	2.9	2.5	2.8	2.4	1.8	3.5	3.0	2.6	3.5	2.1
Percent One-Person Households	59.4	15.0	18.0	78.7	52.6	32.8	35.7	39.8	43.4	62.8	18.5	25.5	40.2	9.6	54.9
Average Monthly Food Stamp Allotment ($)[b]	115.8	183.7	175.6	82.0	126.2	151.1	126.4	126.2	132.0	105.6	164.2	160.2	148.9	177.3	117.5
Average Monthly Workfare Obligation (Hours)[c]	33.1	50.8	48.0	22.8	35.3	41.6	35.1	35.8	36.7	28.6	47.2	45.1	41.9	44.2	29.4
Percent White	66.8	72.9	82.8	67.1	71.3	77.8	51.4	45.4	95.5	94.6	37.2	64.4	84.6	97.3	72.4

SOURCE: The Workfare MIS.

[a]These figures are weighted, based on a 60 percent sample.

[b]At month of first referral.

[c]Based on number of referrals rather than individual participants, since an individual might have been referred more than once.

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TABLE E.2.A

WORKFARE IMPACTS ON FOOD STAMP RECEIPT
AND WORK STATUS: TOTAL SAMPLE
(Weighted Means)

	Demonstration Sites		Comparison Site		
Percent of Time	Pre-Reference Period	Post-Reference Period	Pre-Reference Period	Post-Reference Period	Impact
Receiving Food Stamps and Working	9.56	14.32	8.36	12.95	0.17
Receiving Food Stamps and Not Working	24.65	28.72	19.89	36.35	-12.39
Not Receiving Food Stamps and Working	36.00	37.12	39.63	33.93	6.82
Not Receiving Food Stamps and Not Working	29.79	19.84	32.11	16.76	5.40
Receiving Food Stamps	34.21	43.04	28.25	49.30	-12.22
Working	45.56	51.44	47.99	46.88	6.99

NOTE: Impact is measured as the difference between the pre- to post-reference period changes of the demonstration and comparison samples. Source is the interview sample.

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TABLE E.2.B

WORKFARE IMPACTS ON FOOD STAMP RECEIPT
AND WORK STATUS: MALES
(Weighted Means)

	Demonstration Sites		Comparison Site	
	Pre-	Post-	Pre-	Post-

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TABLE E.2.C

WORKFARE IMPACTS ON FOOD STAMP RECEIPT
AND WORK STATUS: FEMALES
(Weighted Means)

	Demonstration Sites		Comparison Site		
Percent of Months	Pre-Reference Period	Post-Reference Period	Pre-Reference Period	Post-Reference Period	Impact
Receiving Food Stamps and Working	6.42	11.84	6.62	9.86	2.18
Receiving Food Stamps and Not Working	36.09	38.33	26.16	48.27	-19.87
Not Receiving Food Stamps and Working	21.74	31.76	32.10	22.89	9.23
Not Receiving Food Stamps and Not Working	35.76	28.06	35.12	18.98	8.44
Receiving Food Stamps	42.51	50.17	32.78	58.13	-17.69
Working	28.16	33.60	38.72	32.75	11.41

NOTE: Impact is measured as the difference between the pre- to post-reference period changes of the demonstration and comparison samples. Source is the interview sample.

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TABLE E.2.D

WORKFARE IMPACTS ON FOOD STAMP RECEIPT
AND WORK STATUS: TOTAL SAMPLE
(Unweighted Means)

	Demonstration Sites		Comparison Site		
Percent of Time	Pre-Reference Period	Post-Reference Period	Pre-Reference Period	Post-Reference Period	Impact
Receiving Food Stamps and Working	9.34	15.14	9.75	15.72	-0.17
Receiving Food Stamps and Not Working	30.80	36.14	26.08	43.24	-11.82
Not Receiving Food Stamps and Working	29.79	29.52	33.44	26.31	6.86
Not Receiving Food Stamps and Not Working	30.08	19.21	30.73	14.73	5.13
Receiving Food Stamps	40.14	51.28	35.83	58.96	-11.99
Working	39.13	44.66	43.19	42.03	-6.69

NOTE: Impact is measured as the difference between the pre- to post-reference period changes of the demonstration and comparison samples. Source is the interview sample.

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TABLE E.2.E

WORKFARE IMPACTS ON FOOD STAMP RECEIPT
AND WORK STATUS: MALES
(Unweighted Means)

	Demonstration Sites		Comparison Site		
Percent of Time	Pre-Reference Period	Post-Reference Period	Pre-Reference Period	Post-Reference Period	Impact
Receiving Food Stamps and Working	11.11	17.79	10.83	17.55	-0.04
Receiving Food Stamps and Not Working	24.70	30.27	22.78	37.04	-8.69
Not Receiving Food Stamps and Working	36.94	37.01	37.90	32.26	5.71
Not Receiving Food Stamps and Not Working	27.25	14.93	28.50	13.15	3.03
Receiving Food Stamps	35.81	48.06	33.61	54.59	-8.73
Working	48.05	54.80	48.73	49.81	5.67

NOTE: Impact is measured as the difference between the pre- to post-reference period changes of the demonstration and comparison samples. Source is the interview sample.

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TABLE E.2.F

WORKFARE IMPACTS ON FOOD STAMP RECEIPT
AND WORK STATUS: FEMALES
(Unweighted Means)

	Demonstration Sites		Comparison Site		
Percent of Time	Pre-Reference Period	Post-Reference Period	Pre-Reference Period	Post-Reference Period	Impact
Receiving Food Stamps and Working	6.45	10.83	7.93	12.64	-0.33
Receiving Food Stamps and Not Working	40.72	45.65	31.65	53.71	-17.13
Not Receiving Food Stamps and Working	18.16	17.36	25.92	16.27	8.85
Not Receiving Food Stamps and Not Working	34.68	26.15	34.50	17.38	8.59
Receiving Food Stamps	47.17	56.48	39.58	66.35	-17.46
Working	24.61	28.19	33.85	28.91	8.52

NOTE: Impact is measured as the difference between the pre- to post-reference period changes of the demonstration and comparison samples. Source is the interview sample.

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TABLE E.3

NUMBER AND DISTRIBUTION OF ACTIVITY OCCURRENCES BY SITE

	Yuma	Lonoke	Sebastian/ Crawford	San Diego	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell
Referral	1,373 (.20)	290 (.15)	1,634 (.24)	15,065 (.14)	3,919 (.17)	2,502 (.16)	258 (.17)	381 (.35)	4,181 (.26)	489 (.18)	1,549 (.21)	2,524 (.19)	986 (.21)	2,325 (.20)
Call-in	1,183 (.17)	249 (.13)	1,085 (.16)	13,737 (.13)	4,526 (.20)	2,530 (.16)	244 (.16)	—	1,942 (.12)	383 (.14)	1,539 (.21)	2,574 (.19)	816 (.18)	1,632 (.14)
Interview	367 (.05)	104 (.05)	367 (.05)	6,486 (.06)	932 (.04)	1,376 (.09)	83 (.05)	130 (.12)	1,039 (.06)	122 (.05)	740 (.10)	1,015 (.07)	214 (.05)	1,046 (.09)
Failure to Show	816 (.12)	145 (.08)	718 (.10)	7,244 (.07)	3,594 (.16)	1,154 (.07)	161 (.10)	156 (.14)	903 (.06)	261 (.10)	799 (.11)	1,559 (.11)	602 (.13)	585 (.05)
Assignment	491 (.07)	288 (.15)	712 (.10)	12,827 (.12)	1,121 (.05)	1,538 (.10)	95 (.06)	138 (.13)	2,322 (.14)	113 (.04)	527 (.07)	1,497 (.11)	391 (.08)	781 (.07)
Assignment, No Work	189 (.03)	106 (.06)	235 (.03)	7,339 (.07)	502 (.02)	469 (.03)	43 (.03)	58 (.05)	755 (.05)	41 (.02)	172 (.02)	525 (.04)	199 (.04)	420 (.04)
Assignment Completed	233 (.03)	132 (.07)	385 (.06)	4,667 (.04)	481 (.02)	755 (.05)	43 (.08)	45 (.04)	1,260 (.08)	39 (.01)	311 (.04)	675 (.05)	135 (.03)	280 (.02)
Assignment Not Completed	69 (.01)	50 (.03)	107 (.02)	815 (.01)	138 (.01)	315 (.02)	9 (.01)	35 (.03)	287 (.02)	34 (.01)	46 (.01)	298 (.02)	57 (.01)	81 (.01)
Cause Determination	1,281 (.18)	338 (.18)	1,099 (.16)	22,550 (.21)	3,467 (.15)	3,384 (.22)	296 (.19)	115 (.10)	2,435 (.15)	590 (.22)	871 (.12)	1,672 (.12)	574 (.12)	3,046 (.26)
Adverse Actions	670 (.10)	85 (.04)	94 (.01)	9,742 (.09)	2,000 (.09)	535 (.03)	88 (.06)	10 (.01)	133 (.01)	166 (.06)	313 (.04)	379 (.03)	94 (.02)	137 (.01)
Sanctions Applied	121 (.02)	39 (.02)	213 (.03)	3,829 (.03)	750 (.03)	756 (.05)	68 (.04)	32 (.03)	347 (.02)	78 (.03)	332 (.05)	574 (.04)	114 (.02)	254 (.02)
Terminations	151 (.02)	79 (.04)	273 (.04)	5,306 (.05)	1,060 (.05)	370 (.02)	148 (.10)	—	505 (.03)	375 (.14)	122 (.02)	333 (.02)	459 (.10)	1,155 (.10)
Total Numbers of Occurrences	6,944	1,905	6,922	109,607	22,490	1,536	1,536	1,100	16,109	2,691	7,321	13,625	4,461	11,742
Total Participants[a]	1,119	240	1,126	12,445	3,506	1,591	221	305	2,296	428	897	1,819	749	1,642

[a] Total participants is a count of all work registrants referred to workfare at each site during the course of the demonstration. Each participant may have experienced a given workfare activity once, more than once, or not at all.

(.NN) = fraction of total activity in the site.

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TABLE E.4

AVERAGE MINUTES PER ACTIVITY OCCURRENCE BY SITE

	Yuma	Lonoke	Sebastian/ Crawford	San Diego	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell	All Sites
Referral	43.61	59.40	35.15	31.21	69.73	43.43	39.02	66.76	41.77	20.46	70.59	34.07	59.24	27.98	40.71
Call-in	5.00	15.00	4.00	10.10	17.46	18.30	10.32	—	5.40	5.00	10.45	5.50	3.00	9.00	10.49
Interview	26.72	60.00	11.75	16.03	37.40	3.50	75.00	37.90	11.02	33.00	10.00	14.59	22.00	17.05	16.79
Failure to Show	10.40	25.00	3.50	12.50	28.80	38.97	28.30	7.70	15.06	2.00	12.70	6.77	5.06	9.40	16.19
Assignment	9.59	45.50	21.33	10.22	42.00	75.45	57.50	32.07	12.37	31.87	7.00	10.17	13.74	18.50	17.87
Assignment, No Work	27.55	25.00	4.82	19.68	84.90	17.01	102.75	26.78	20.40	77.10	6.20	12.90	34.40	5.06	22.20
Assignment Completed	8.65	27.15	50.52	17.87	82.30	12.60	228.50	20.07	21.66	74.45	16.60	6.60	39.40	6.98	22.81
Assignment Not Completed	13.65	32.15	52.52	27.68	87.30	21.50	233.50	30.13	26.66	79.84	21.70	11.75	33.00	10.98	30.05
Cause Determination	22.27	40.00	18.70	19.59	28.00	7.00	12.80	35.50	11.50	21.86	8.51	11.00	24.08	14.50	18.16
Adverse Actions	6.46	15.00	3.50	6.59	14.30	15.00	7.00	31.60	5.30	4.88	5.61	2.90	8.08	25.00	8.05
Sanctions Applied	27.98	15.00	16.10	9.99	23.90	40.00	15.10	7.00	8.50	4.97	9.63	18.90	14.78	5.00	15.37
Terminations	9.70	15.00	8.10	7.50	7.90	6.00	11.90	—	15.65	4.31	8.25	3.70	7.40	5.00	7.54

NOTE: This table indicates the average time per activity based on the number of occurrences of the activity.

[a]This is a weighted average based on the number of occurrences in each site.

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TABLE E.5

AVERAGE COST PER OCCURRENCE OF DIRECT SERVICE ACTIVITIES BY SITE

	Yuma	Lonoke	Sebastian/ Crawford	San Diego	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell
Referral	$9.73	$8.35	$6.02	$6.88	$8.00	$5.22	$6.78	$20.90	$11.24	$5.04	$7.37	$4.03	$9.51	$3.18
Call-in	.95	1.95	.60	2.24	1.94	2.62	1.43	—	1.07	.55	.72	.71	.30	.92
Interview	8.97	7.79	2.57	3.71	4.26	.50	10.50	6.88	1.41	5.43	1.00	1.89	3.91	2.14
Failure to Show	4.02	3.25	.81	2.84	3.74	5.60	3.95	1.30	3.25	.22	1.27	.69	.95	1.01
Assignment	2.42	5.91	2.94	2.33	5.45	11.04	8.04	3.35	1.70	5.93	.70	1.29	2.12	3.10
Assignment, No Work	8.58	3.25	.81	4.43	10.38	1.40	14.38	4.98	4.80	10.54	.46	2.07	5.17	.58
Assignment Completed	2.08	3.52	10.99	4.12	10.13	1.24	31.98	4.16	3.56	12.34	3.05	1.08	6.12	1.68
Assignment Not Completed	3.30	4.17	11.41	6.33	10.78	2.16	32.68	6.14	4.96	12.64	3.56	1.89	4.90	2.12
Cause Determination	4.62	5.97	2.99	4.29	3.34	.77	2.42	15.20	3.67	6.00	1.09	1.78	4.22	1.58
Adverse Actions	1.31	2.24	.56	1.44	1.71	1.65	1.33	13.49	1.69	1.34	.71	.43	1.68	2.75
Sanctions Applied	5.83	2.24	2.57	2.18	2.85	4.40	2.86	2.97	2.71	1.36	1.20	2.83	3.34	.55
Terminations	2.00	2.24	1.29	1.65	.94	.66	2.25	—	7.47	1.17	1.06	.55	1.17	.59

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TABLE E.6

AVERAGE MINUTES PER PARTICIPANT BY SITE

	Yuma	Lonoke	Sebastian/ Crawford	San Diego	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell	All Sites
Referral	53.51	71.77	51.01	37.78	77.94	68.30	45.55	83.40	76.06	23.38	121.90	47.27	77.98	39.62	53.75
Call-in	5.29	15.56	3.85	11.15	22.54	29.10	11.39	--	4.57	4.47	17.93	7.78	3.27	8.95	11.99
Interview	8.76	26.00	3.83	8.35	9.94	3.03	28.17	16.15	4.99	9.41	8.25	8.14	6.29	10.86	8.29
Failure to Show	7.58	15.10	2.23	7.28	29.52	28.27	20.62	3.94	5.92	1.22	11.31	5.80	4.07	3.35	10.67
Assignment	4.21	54.60	13.49	10.53	13.43	72.94	24.72	14.51	12.51	8.41	4.11	8.37	7.17	8.80	14.38
Assignment, No Work	4.65	11.04	1.01	11.61	12.16	5.01	19.99	5.09	6.89	7.39	1.19	3.72	9.14	1.29	8.64
Assignment Completed	1.80	14.93	17.27	6.70	11.29	5.98	44.46	2.96	11.89	6.78	5.76	2.45	7.10	1.19	7.59
Assignment Not Completed	.84	6.70	4.99	1.81	3.44	4.26	9.51	3.46	3.33	6.34	1.11	1.92	2.51	.54	2.48
Cause Determination	25.49	56.33	18.25	35.50	27.69	14.89	17.14	13.39	12.20	30.13	8.26	10.11	18.45	26.90	26.69
Adverse Actions	3.87	5.31	.29	5.16	8.16	5.04	2.79	1.04	.31	1.89	1.96	.60	1.01	2.09	4.10
Sanctions Applied	3.03	2.44	3.05	3.07	5.11	19.01	4.65	.73	1.28	.91	3.56	5.96	2.25	.77	4.07
Terminations	1.31	4.94	1.96	3.20	2.39	1.40	7.97	--	3.44	3.78	1.12	.68	4.53	3.52	2.75
Total Minutes	**120.34**	**284.72**	**121.23**	**142.14**	**223.61**	**257.23**	**236.96**	**144.67**	**143.39**	**104.11**	**186.46**	**102.80**	**143.77**	**107.88**	**155.40**

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TABLE E.7

DIRECT SERVICE COST PER PARTICIPANT BY SITE

	Yuma	Lonoke	Sebastian/ Crawford	San Diego	Pinellas	Vanderburgh	Montgomery	Grand Rapids	Greene	Nashua	Berkeley	Greenville	Utah	Tazewell	All Sites
Referral	$11.94	$10.09	$8.74	$8.33	$.894	$8.21	$7.91	$26.11	$20.47	$5,76	$12.73	$5.59	$12.52	$4.50	$9.55
Call-in	1.00	2.02	.58	2.47	2.50	4.17	1.58	—	.91	.49	1.24	1.00	.33	.91	1.96
Interview	2.94	3.38	.84	1.93	1.13	.43	3.94	2.93	.64	1.55	.82	1.05	1.12	1.36	1.53
Failure to Show	2.93	1.96	.52	1.65	3.83	4.06	2.88	.66	1.28	.13	1.13	.59	.76	.36	1.83
Assignment	1.06	7.09	1.86	2.40	1.74	10.67	3.46	1.52	1.72	1.57	.41	1.06	1.11	1.47	2.44
Assignment, No Work	1.45	1.44	.17	2.61	1.49	.41	2.80	.95	1.62	1.01	.09	.60	1.37	.15	1.69
Assignment Completed	.43	1.94	3.76	1.55	1.39	.59	6.22	.61	1.95	1.12	1.06	.40	1.10	.29	1.40
Assignment Not Completed	.19	.87	1.08	.41	.42	.43	1.33	.70	.62	1.00	.18	.31	.37	.10	.44
Cause Determination	5.29	8.41	2.92	7.77	3.30	1.64	3.24	5.73	3.89	8.27	1.06	1.64	3.23	2.93	5.22
Adverse Actions	.78	.79	.05	1.13	.98	.55	.53	.44	.10	.52	.25	.09	.21	.23	.74
Sanctions Applied	.63	.36	.49	.67	.61	2.09	.88	.31	.41	.25	.44	.89	.51	.09	.67
Terminations	.27	.74	.31	.70	.28	.15	1.51	—	1.64	1.03	.14	.10	.72	.42	.60
Total Direct Cost	$28.91	$39.09	$21.32	$31.62	$26.61	$33.40	$36.28	$39.96	$35.25	$22.70	$19.55	$13.32	$23.35	$12.81	$28.07

NOTE: This table gives direct service cost per activity averaged over all participants.

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APPENDIX F:

WORKFARE COST ANALYSIS FORMS

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WORKFARE ADMINISTRATIVE ACTIVITIES
WELFARE DEPARTMENT

Name: _____

Position Title and (Grade): _____

DIRECTIONS:

This sheet lists activities which different people in the County Welfare Department do in connection with the Food Stamp Workfare Project. Please look at the list below and check off the activities which you do. Then estimate how often you perform each of these activities, how long it takes you each time you perform it, and what materials you use while performing it. If you perform any activities which are not listed, please note them and fill in the columns for them.

	Check (✓) if you do this work	How often do you do this? (once a day, twice a week, etc.)	How long does it take you each time you do it? (in minutes)	Materials used in doing this activity (# and type of forms used, copies made postage, folders, etc.)
WORKFARE REFERRALS: Review of work registrants to see if they are eligible for workfare				
Explanation of Workfare rights and repsonsibilities				
Have Workfare participant sign sheet acknowledging rights				
Complete Workfare Transmittal Form				
Send transmittals to Workfare office (Jobs Component)				
Other (specify)				

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	Check (✓) if you do this work	How often do you do this? (once a day, twice a week, etc.)	How long does it take you each time you do it? (in minutes)	Materials used in doing this activity (# and type of forms used, copies made postage, folders, etc.)
OTHER WORKFARE RELATED ACTIVITIES: Workfare training sessions				
Study of Workfare regulations				
Discussion of problem cases with Workfare staff				
Compiling statistics				
Other (specify)				

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WORKFARE ADMINISTRATIVE ACTIVITIES
JOBS COMPONENT

Name: _____

Position and (Grade): _____

DIRECTIONS:

This sheet lists activities which different Workfare Jobs Component Staff members do in processing Workfare participants. Not all Jobs Component offices operate the same way, so some of these activities may not be performed at your site. Please look at the list below and check off the activities which you do. Then estimate how often you perform each of these activities, how long it takes you each time you perform it, and what materials you use while performing it. If you perform any activities which are not listed, please note them and fill in the columns for them.

	Check (✓) if you do this work	How often do you do this? (once a day, twice a week, etc.)	How long does it take you each time you do it? (in minutes)	Materials used in doing this activity (# and type of forms used, copies made postage, folders, etc.)
REFERRALS: Log in transmittals reviewed				
Separate immediate eligibles from those in job search period				
Prepare case file folder				
Monitor eligibility date of those in job search period				
Assign participants case to worker for interview				
Prepare and send out interview notices				
File carbon of notice				
Other (specify)				

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	Check (✓) if you do this work	How often do you do this? (once a day, twice a week, etc.)	How long does it take you each time you do it? (in minutes)	Materials used in doing this activity (# and type of forms used, copies made postage, folders, etc.)
NO SHOW FOR INTERVIEW Contact participant to investigate no-show				
Send notice of non-compliance to food stamp office				
Other (specify)				
INTERVIEW: Explain Workfare Program rights and responsibilities				
Assessment of participant's background and interests				
Visual medical screening				
Determine appropriate job site				
Work out schedule with participant				
Call worksite to inform about assignment				
Send assignment sheet to job site supervisor				
Other (specify)				

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	Check (✓) if you do this work	How often do you do this? (once a day, twice a week, etc.)	How long does it take you each time you do it? (in minutes)	Materials used in doing this activity (# and type of forms used, copies made postage, folders, etc.)
JOB SITE-RELATED COSTS: Discussions with job site supervisors when clients fail to report to job sites				
Discussions with job site supervisors regarding problems with participants				
Process time and attendance sheets				
Send notice of non-compliance to food stamp office when participant does not complete assignment				
Visits to job sites				
Other (specify)				
OTHER WORKFARE RELATED ACTIVITIES: Training sessions				
Study of Workfare regulations				
Public relations work				
Other (specify)				

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WORKFARE COST ANALYSIS - PRELIMINARY DATA
STAFF AS OF MARCH, 1981

SITE: _____

AGENCY: _____

Name and Position Title	Salary (not including benefits)	Benefits*(% of Salary or $ figure	Estimated % time spent on evaluation related tasks	If not full-time, estimated % time on Workfare

* If a standard benefits percentage is available for the entire agency, enter the figure once and we will assume it is for all employees of that agency.

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APPENDIX G

TRENDS IN UNEMPLOYMENT RATES IN THE DEMONSTRATION AND COMPARISON SITES

As described in Appendix A, demonstration sites were carefully matched with potential comparison sites in a manner that was designed to assure similarity in terms of factors that could potentially affect food stamp receipt and employment. Key matching variables were the unemployment rate in June 1980 and changes in the unemployment rate from January to June 1980. While this assured that the demonstration and comparison sites were similar in terms of their experiences during the period prior to the demonstration, differences in conditions during the period after implementation of workfare could have affected employment opportunities. If such post-implementation differences exist, they could in turn cause changes in employment and food stamp receipt that are confounded with workfare program impacts.

To investigate this issue, we examined trends in unemployment rates during the two-year period 1980-1981. An aggregate unemployment rate for the demonstration site sample was computed by weighting the county unemployment rates for each site by the number of sample points from the site.[1] In this way, sites with more sample members contribute more to the aggregate rate than sites with fewer sample members. An aggregate unemployment rate was computed similarly for the comparison site sample.

Figures G.1 to G.3 show the monthly unemployment rates for, respectively, all demonstration and comparison sites, all sites except San Diego and its comparison site, and only San Diego and its comparison site. The data in Figure G.1 strongly suggest that the measured unemployment rates were very similar for the demonstration and comparison groups. The seasonal patterns are very similar, and a slight upward trend from 1980 to 1981 is evident in both groups. The average unemployment rates in 1980 were 6.78 and 6.95 for the demonstration and comparison sites, respectively. The rates in 1981 were 7.54 and 7.79 for the demonstration and comparison sites, respectively. Thus, the average unemployment rates increased by .76 percentage points in the demonstration sites and by .84 percentage points in the comparison sites. Since impacts are measured as the difference between demonstration and comparison group members in terms of pre- to post-period changes in employment and food stamp receipt, our concern is that the two groups faced similar changes in employment opportunities. The similarity in the changes in unemployment rates provides some assurance that measured

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[1] County employment rates were provided to FNS by staff at the Department of Labor in July 1986.

FIGURE G.1

Weighted Unemployment Rates 1980 — 1981

All Sites

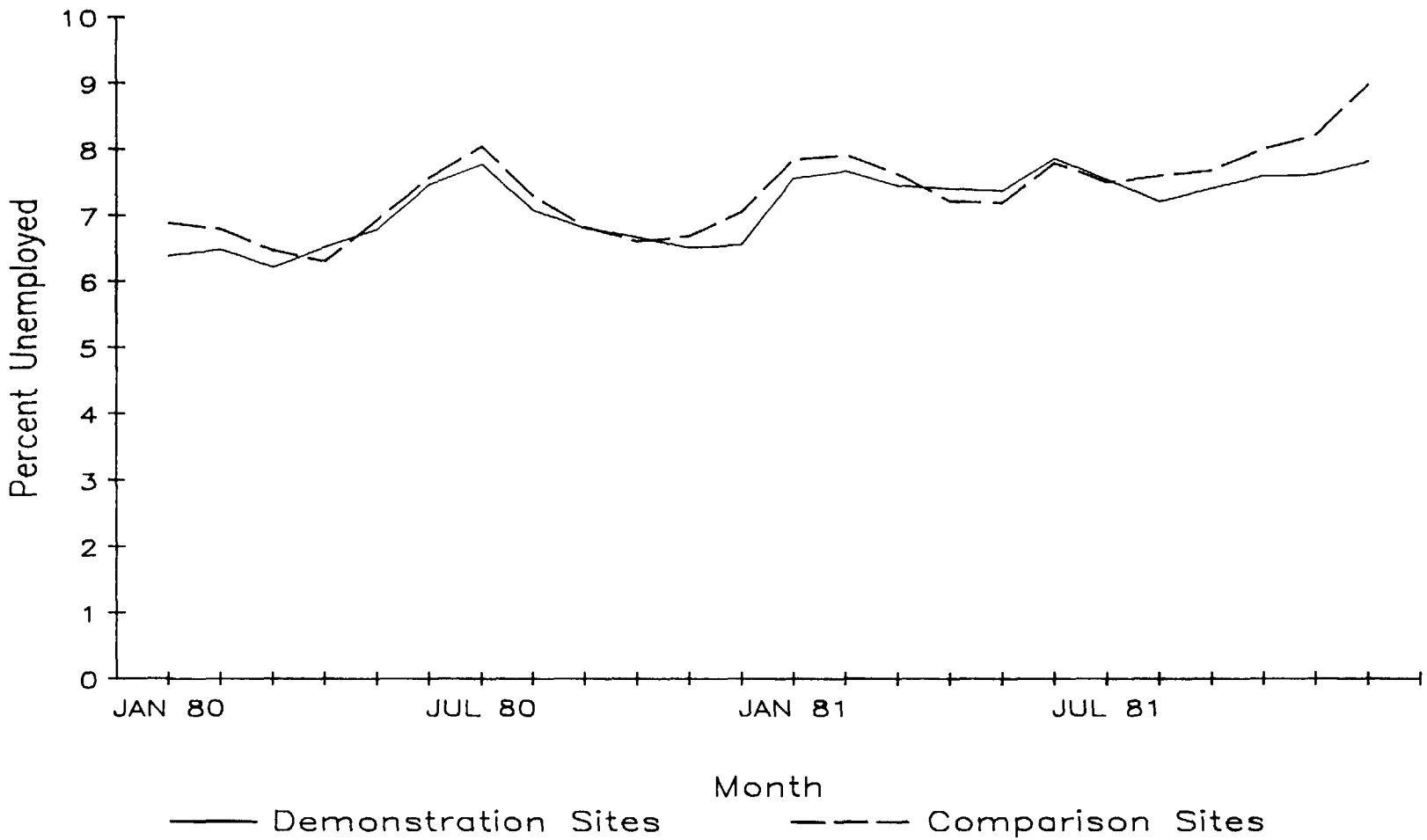

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FIGURE G.2

Weighted Unemployment Rates 1980 — 1981
Excluding San Diego & Orange County

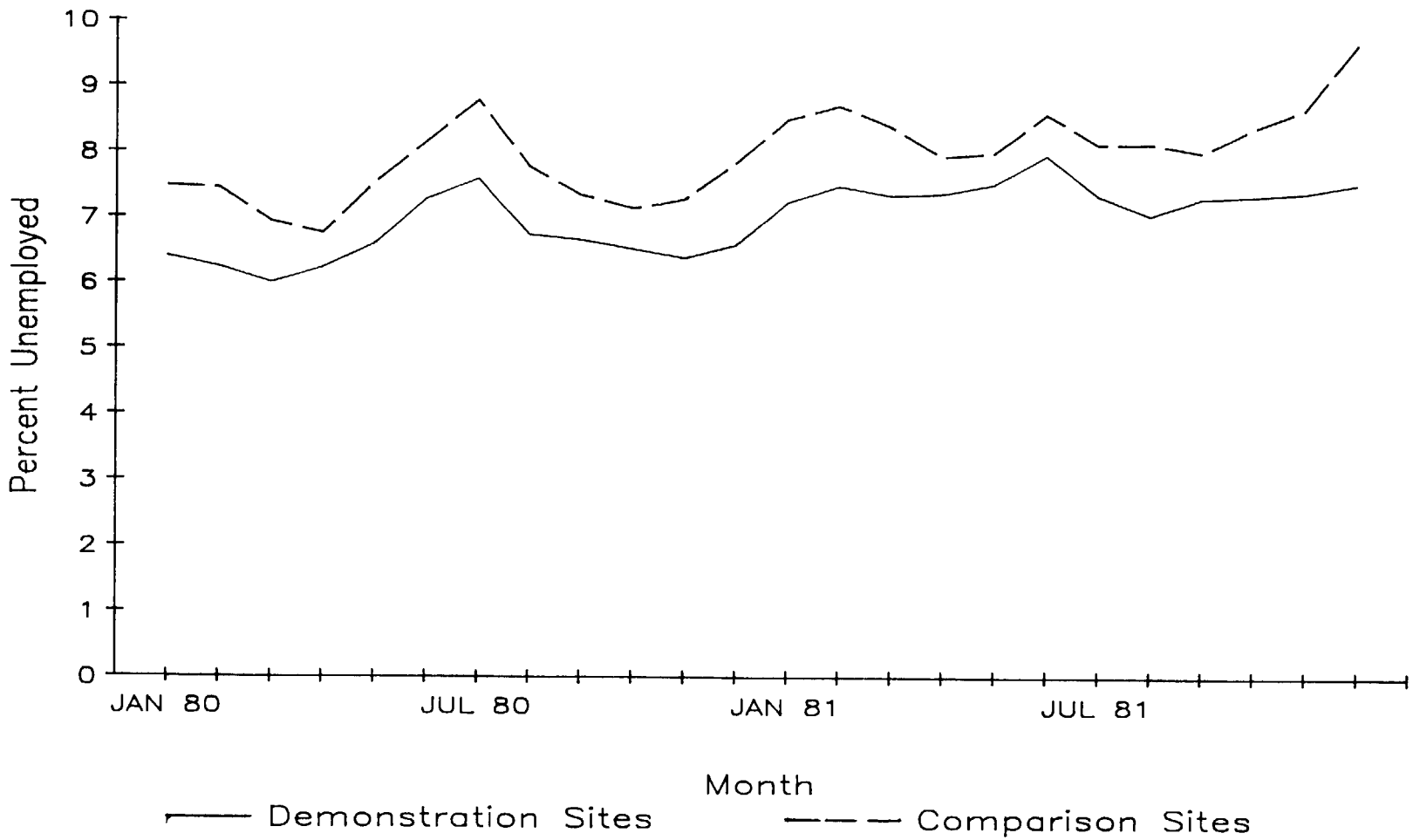

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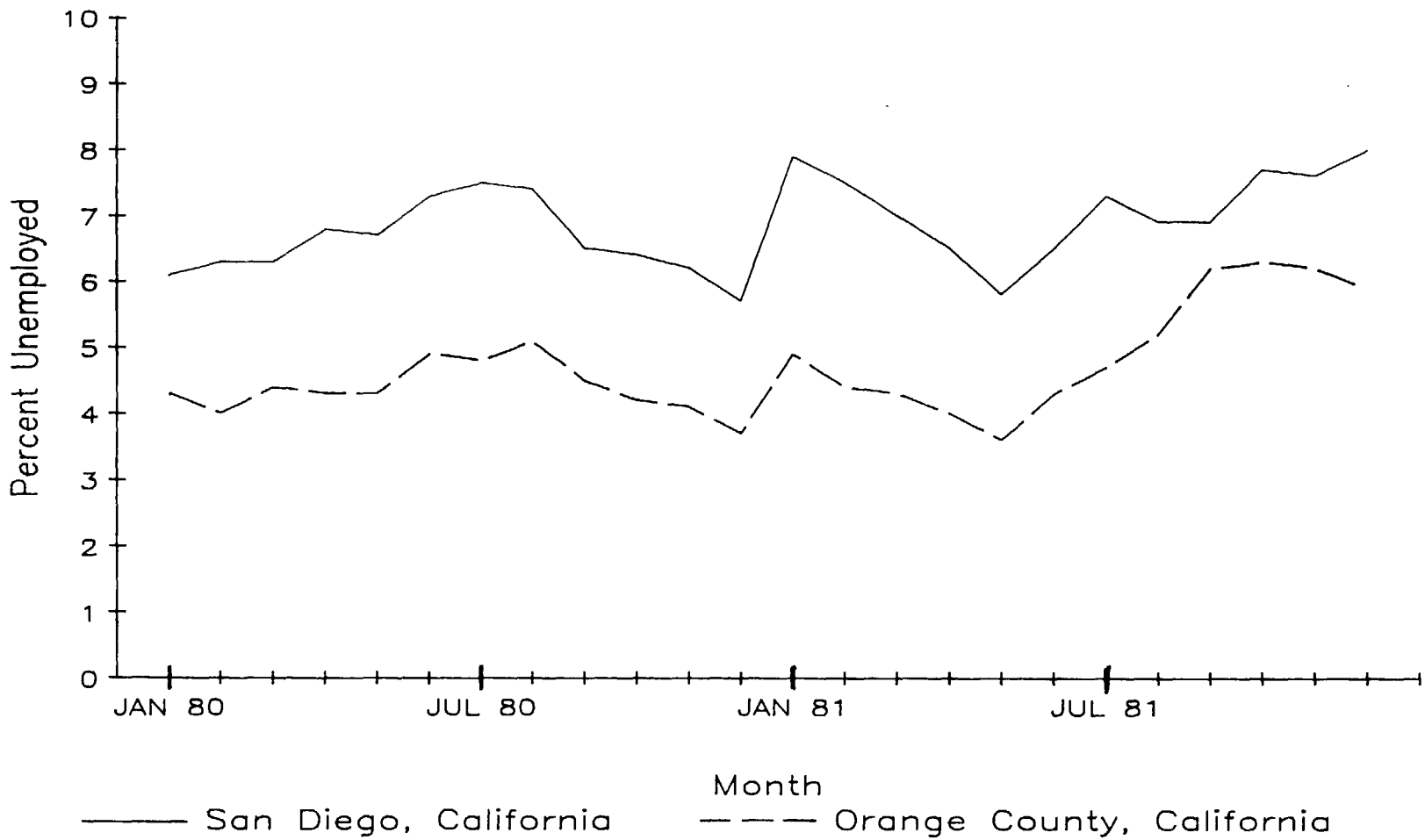
FIGURE G.3

Weighted Unemployment Rates 1980 — 1981
San Diego & Orange County Only



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program impacts are not confounded with changes in labor market conditions.[1]

Figure G.2 indicates a very similar pattern when San Diego and its comparison site are excluded from the sample, except that the demonstration sites tend to have slightly lower unemployment rates than the comparison sites. Indeed, the unemployment rate trends of San Diego are very similar to those of all other demonstration sites. However, San Diego's comparison site (Orange County) had considerably lower unemployment than did all other comparison sites. As can be seen in Figure G.3, the unemployment rate in Orange County remained below 5 percent until very late in 1981.

In summary, the available data on unemployment rates provide no evidence that either measured overall impacts or differences in measured impacts between San Diego and all other sites are due to the confounding effects of differences in labor market conditions.

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[1] Our conclusions must be cautious for two reasons. First, the area unemployment rate is only an approximate measure of the labor market opportunities facing low-skill workers who predominate in the food stamp caseload. Second, local area unemployment rates tend to be imprecisely measured. Thus, while local area unemployment rates are the best indicators available, it is important to recognize their severe limitations.

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APPENDIX H

COMPUTATION OF STANDARD ERRORS OF THE NET BENEFIT ESTIMATES

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Appendix H shows how the estimates of the standard errors of the net benefit estimates were computed.

The estimated variance of government net benefits is:

$$V(gov't) = 6^2 \; [S^2_{FSA} + S^2_{earn} * (.1)^2 + S^2_{FS} * C^2_{FS}] = S^2_{WC}.$$

For males--

$$V(gov't) = [6.08^2 + ((47.10)^2 * (.1)^2) + ((.03)^2 * (10)^2)] + 40^2$$

$$=$$

$$= 3732.66\text{--}$$

and the standard error is $[\overline{3732.66} = 61.10$.

For females--

$$V(gov't) = 36 \; [7.35^2 + ((27.10)^2 * (.1)^2) + ((.04)^2 * (10)^2)] + 40^2$$

$$= 3814.96\text{--}$$

and the standard error is $[\overline{3814.96} = 61.77$.

The estimated variance of social net benefits is:

$$V(social) = (6 \text{ x } 1.081)^2 * S^2_{earn} + S^2_{WKHRS} * (3.35 * 1.081)^2$$

$$+ S^2_{WC} = S^2_{pc}$$

For males--

$$V(social) = (42.07) \; (47.62)^2 + (.38) * (13.11) + 6^2 + 40^2$$

$$= 95.597 + 4.98 + 36 + 1600$$

$$= 97238\text{--}$$

and the standard error is 311.81.

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For females--

$$V(\text{social}) = (42.07) * (27.10)^2 + (1.03) * (13.11) + 6^2 + 40^2$$

$$= 30895.30 + 13.50 + 36 + 1600$$

$$= 32544.81$$

and the standard error is 180.40.