

Evaluating Welfare Reform *What Do We Know? How Can We Learn More?*

*Congress is convening three briefings on the effects and implementation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. The first briefing, held March 19 before the Subcommittee on Human Resources of the U.S. House of Representatives, Committee on Ways and Means, focused on progress in implementing and measuring the effects of Temporary Aid to Needy Families (TANF), the state welfare block grant program created by PRWORA to replace the AFDC program (Aid to Families with Dependent Children). Speakers included the Assistant Secretary for Children and Families, U.S. Department of Health and Human Services (DHHS); state and local program administrators from Wisconsin, Florida, Maryland, and California; and representatives from the Nelson A. Rockefeller Institute of Government, Administration for Children and Families/DHHS, U.S. Census Bureau, and the Research Forum on Children, Families, and the New Federalism. This issue of **the forum** draws upon points made in the Research Forum's testimony, the content of which was largely taken from its on-line database (www.researchforum.org) and from collaborative activities with other research and policy organizations. (The full text of the testimony is available upon request.) Project titles in bold face are included in the database.*

As new welfare programs are implemented across the country, the conceptual framework and methods used to study welfare must change and adapt. Historically, welfare was governed by overarching federal policies that supported relatively stable programs and created an environment suitable for experimentation. Extensive research about these programs was conducted, including impact studies that tested the effects of specific interventions (see box on the next page). For example, analyses by Bane and Ellwood showed that many people used AFDC as a short-term support while a smaller group, sharing similar characteristics, continuously relied on it for longer periods of time. Findings from this earlier research should be kept in evidence, as they constitute a backdrop against which current changes produced by PRWORA can be compared.

Today's environment is significantly different. States and localities have adopted diverse combinations of programs and policies, with policy directives and funding likely to continue changing over time. Research must be nuanced and flexible enough to study these varied arrangements, while also enabling analyses across sites and on a national scale. Because policy and program changes are happening at a remarkably rapid rate, research that provides information quickly will be most useful, particularly so that practitioners can identify and address problems early on.

Presently, at least 40 large-scale research projects are examining programs and policies created under TANF or AFDC waivers. These projects include cost/benefit, impact,

implementation, and descriptive/analytic studies, and they use data sources ranging from administrative data to surveys to direct observations. At least 25 of these projects have interim or final findings, generating relevant information about time limits, family caps, financial incentives, school mandates, and other program requirements. (See **the forum** January 1998 issue for an analysis of recent findings on time limits.)

Existing Research Gaps

There are a number of gaps in the topics currently examined by the large-scale projects. These include:

- ▶ **Child Outcomes.** Children constitute about two-thirds of welfare caseloads, yet only a few projects incorporate direct assessments of child well-being (e.g. MDRC's **National Evaluation of Welfare-to-Work Strategies** and DHHS-sponsored research in **Connecticut, Florida, Indiana, Iowa, and Minnesota**).
- ▶ **Substance Abuse.** The **National Center on Addiction and Substance Abuse** at Columbia University is currently planning the only large-scale evaluation of an intervention for substance abusers—one of the most difficult groups to serve in the TANF population. Despite generous funding from the Robert Wood Johnson Foundation, the sample size will be relatively small and the study may not address child outcomes.
- ▶ **Status of Individuals Who Leave the Rolls.** Except for the Urban Institute's **Assessing the New Federalism** (ANF) project, very little work is being done across states or on a large scale to follow indi-

Welfare Research Findings: 1980–1996

Below are major findings from selected large-scale, randomized experiments.

Findings	Evaluator/Project
Modest program investments produce modest gains in employment and income, along with modest reductions in welfare costs and participation.	Manpower Demonstration Research Corporation (MDRC): National Evaluation of Welfare-to-Work Strategies*
Impacts on employment, income, and welfare savings are largest for the most disadvantaged individuals—those with the least prior work experience and lowest school grade completion.	MDRC: National Evaluation of Welfare-to-Work Strategies
Well-administered job search interventions can effectively move participants into the work force.	MDRC: Gain Evaluation
Although education and training programs require ample investment over time and may not produce short-term impacts, the significant long-term outcomes achieved in well-designed programs, like those at the Center for Employment Training, should not be dismissed.	MDRC: Minority Female Single Parent Demonstration
Producing positive impacts among the teen parent population is especially difficult.	MDRC: Ohio's Learning, Earning, and Parenting Program (LEAP) and New Chance ; Mathematica Policy Research, Inc.: Teen Parent Demonstration**
Very disadvantaged, long-term welfare recipients benefit significantly from a structured work experience designed to increase demands on the worker over time.	MDRC: National Supported Work Demonstration
In a program where clients have incentives to work and seek child support orders, noteworthy employment and income gains can be achieved, as well as savings to the state.	Abt Associates, Inc.: New York Child Assistance Program Evaluation

* Formerly titled the JOBS Evaluation

** The Joint Center on Poverty Research, MDRC, Mathematica, and the Research Forum are sponsoring a comprehensive review of findings from these research projects.

viduals longitudinally. Research efforts by individual states provide only limited information about the effects on children of leaving welfare.

- ▶ **Immigrants.** Although immigrants are subject to the earliest and most extensive changes, only ANF and a few other more modest projects are researching the impacts of PRWORA on this population.
- ▶ **Rural Areas.** While urban areas deserve attention, rural areas also should be studied, particularly those with high concentrations of the population on welfare. For instance, one third (220,000) of the total population in Fresno County, California receives TANF benefits.

Developing New Research Tools

In the current environment, certain research methods seem especially useful. These tools are used in many of the large-scale projects underway, but they can be applied more frequently and often need further development. They include:

- ▶ **Implementation/process studies.** Implementation studies describe how policies are actually translated into practice—what is happening “on the ground.” Study topics range from the organization of management activities to interactions between welfare staff and recipients. This research often addresses the feasibility of replicating programs elsewhere. With imple-

mentation research, findings can be produced relatively quickly. The Rockefeller Institute's **State Capacity Study** and the Urban Institute's ANF are two noteworthy, large-scale projects that focus on state decision-making and systemic effects under PRWORA. Interim findings are available for both of these projects.

Many projects, such as Abt's **Alabama ASSETS Demonstration** and MDRC's **Florida Family Transition Program Evaluation**, couple implementation studies with impact studies. Findings from these projects can be extraordinarily informative, identifying factors that contributed to the program's impacts and providing suggestions on how to implement interventions more effectively.

New value needs to be attached to this genre of research and more implementation studies supported at the state and local levels. The Institute for Research on Poverty at the University of Wisconsin-Madison has invited the Research Forum to work with a distinguished group of researchers to do this. These efforts will be described in future issues of *the forum*.

- ▶ **Administrative data.** In an era of computerized management, links between administrative data sets will be necessary to even partially answer many basic questions. In some states, this capacity is developing very well; in many others, capacity remains quite weak. (Here is one

instance in which variation may not be desirable.)

TANF records can be matched with:

- Unemployment Insurance and/or wage reporting systems, to identify TANF recipients moving into jobs with benefits;
- Internal Revenue Service records for information on tax payments and income;
- Earned Income Tax Credit (EITC) records for wage levels and EITC supplements;
- Child Support Enforcement systems, to show if income from a custodial parent is supplementing income from TANF;
- Medicaid and Food Stamps records, to indicate if non-cash benefits are continued after termination of cash benefits; and
- Protective and foster care systems data, to identify problems affecting children.

These links can generate some of the most timely and accurate information about PRWORA. To fast-forward the use of administrative data, confidentiality and capacity issues need to be addressed.

- ▶ **Large data sets.** There are also opportunities to mine the major data sets, such as the Survey of Income and Program Participation (SIPP), Panel Study of Income Dynamics (PSID), National Longitudinal Survey of Youth (NLSY), and Current Population Survey (CPS). However, these data sets were not constructed for state and local analyses. To generate information relevant to PRWORA, these data sets need to be modified to enhance state sample size, coverage of program participation, and assessment of child and family outcomes. One example of such modification is the Census Bureau's extension of two existing SIPP panels. The result, entitled the Survey of Program Dynamics (SPD), is designed to assess the effects of new policies on the well-being of welfare recipients and their families. Provided that attrition is not a limitation, this effort will produce important time series data, prior to and after the enactment of PRWORA.

Note from the Director—Barbara B. Blum

At the hearing, members of the Subcommittee expressed concern about how they can best be informed of PRWORA's effects given the very great variation in local program design and the concomitant increase in agencies involved in implementing welfare and other social program changes. Members raised questions about accountability for overseeing program and research activities at the federal agency level and about development of criteria to measure the positive and negative effects of PRWORA at state and local levels. The well-being of children was cited as a prime

- ▶ **Impact studies.** Impact studies continue to be an important means of testing the effects of welfare reform. As the current PRWORA ferment settles down, exemplary initiatives will be recognized, and impact research about these initiatives can again be supported.

Another important activity is the disseminating, sharing, and archiving of existing research and data. A number of notable efforts to achieve this are underway. The Welfare Information Network (WIN) is bringing together a group of government and nonprofit organizations that are tracking the devolution of welfare programs, to share information and reduce duplication in data collection. (WIN also hosts a web site at www.welfareinfo.org.) Weekly audio conferences hosted by the Center for Law and Social Policy explore states' experiences and new research findings related to TANF implementation. The Welfare Reform Academy at the University of Maryland hosts monthly conferences, telecast by satellite, on various welfare reform topics. It has also formed an expert panel of researchers to evaluate current research efforts.

In addition, the Congressional Research Service has created an inventory of projects, which will be available in the *1998 Green Book*, published annually by the U.S. House of Representatives, Committee on Ways and Means. The Institute for Women's Policy Research moderates a listserv (Internet bulletin board), which provides a forum for daily discussion and information (www.iwpr.org). The database and web site developed by the Research Forum are another resource (www.researchforum.org).

The experience of the Research Forum during the past sixteen months indicates that much more remains to be done. Researchers need to be encouraged to address questions of relevance to policymakers and practitioners, and findings should be presented in a format that is comprehensive and clear. Ultimately, reliable findings from well-designed research should play an integral role in making federal, state, and local policy and program decisions. The deliberations to reauthorize PRWORA in fiscal year 2002 represent an important opportunity to use research findings to inform public policy decision-making.

concern, particularly since the emphasis on early entry to the work force may leave many parents in very low-wage jobs, without further education or training designed to improve their skills.

The questions seemed to be right on target. A focus on income and child well-being is basic to understanding the effects of PRWORA and can be useful in shaping future social policies. The challenge, of course, is to ensure that research is well-designed and adequately supported.

RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

The Research Forum, an initiative of the National Center for Children in Poverty, hosted at Columbia School of Public Health, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.

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