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**Paths to Work in Rural
Places: Key Findings and
Lessons from the Impact
Evaluation of the
Future Steps Rural
Welfare-to-Work Program**

Final Report

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CONTENTS

Chapter	Page
KEY FINDINGS AND LESSONS	xi
EXECUTIVE SUMMARY.....	xiii
I INTRODUCTION	1
SELECTING PROMISING RURAL PROGRAMS FOR THE DEMONSTRATION.....	2
Program Selection Criteria.....	2
Testing Case Management in a Rural Context	4
WELFARE-TO-WORK IN RURAL ILLINOIS: THE FUTURE STEPS PROGRAM.....	5
EVALUATION DESIGN AND METHODS.....	7
Implementation and Cost Study.....	8
Impact Study.....	9
II IMPLEMENTING FUTURE STEPS.....	13
PROGRAM DEVELOPMENT, STAFFING, AND SERVICE DELIVERY	13
THE FUTURE STEPS TARGET POPULATION.....	18
SOUTHERN ILLINOIS: THE ECONOMIC, POLICY, AND SERVICE CONTEXT	22
KEY FINDINGS ON FUTURE STEPS IMPLEMENTATION	29
CLIENT EXPERIENCES IN FUTURE STEPS	32
COSTS OF FUTURE STEPS.....	39

Chapter	Page
III	IMPACTS ON EMPLOYMENT, SELF-SUFFICIENCY, AND WELL-BEING..... 45
	DIFFERENCES IN THE USE OF SERVICES AND RESOURCES 46
	IMPACTS ON EMPLOYMENT AND EARNINGS 51
	CHANGES IN WELFARE DEPENDENCE AND SELF-SUFFICIENCY..... 57
	IMPACTS ON WELL-BEING AND QUALITY OF LIFE..... 63
	DIFFERENCES IN PROGRAM IMPACTS FOR KEY SUBGROUPS 67
IV	CONCLUSIONS AND RECOMMENDATIONS: IMPROVING PROGRAM INNOVATION IN RURAL AREAS 71
	POSSIBLE REASONS FOR THE LACK OF PROGRAM IMPACTS 72
	LESSONS FOR IMPLEMENTING FUTURE PROGRAMS IN RURAL AREAS 74
	IMPLICATIONS FOR DESIGNING WELFARE-TO-WORK PROGRAMS IN RURAL AREAS..... 77
	ADDRESSING CONSTRAINTS OF SCALE: ISSUES FOR EVALUATING RURAL PROGRAMS..... 79
	REFERENCES 81
	APPENDIX A: SURVEY DATA COLLECTION AND WEIGHTING METHODS..... A.1
	APPENDIX B: ADDITIONAL COST STUDY ANALYSES: COSTS BY PROGRAM COMPONENT B.1
	APPENDIX C: SUPPLEMENTAL FIGURES AND TABLES..... C.1

T A B L E S

Table	Page
II.1 CHARACTERISTICS OF THE FUTURE STEPS SAMPLE POPULATION AT BASELINE	20
II.2 KEY ECONOMIC INDICATORS FOR COUNTIES IN THE FUTURE STEPS SERVICE AREA.....	23
II.3 ACCESS TO, AND USE OF, SUPPORT NETWORKS AMONG SAMPLE MEMBERS.....	26
II.4 TRANSPORTATION ACCESS AND ISSUES	28
II.5 SERVICE USE AND PARTICIPATION	33
II.6 SERVICE USE AND PARTICIPATION DURING FIRST SIX MONTHS AFTER ENROLLMENT, BY ENROLLMENT PERIOD.....	34
II.7 RECEIPT AND VALUE OF SUPPORTIVE SERVICE PAYMENTS	37
II.8 TOTAL ESTIMATED COSTS FOR A ONE-YEAR PERIOD OF FUTURE STEPS PROGRAM OPERATIONS.....	41
II.9 AVERAGE TOTAL COST PER FUTURE STEPS PARTICIPANT.....	43
III.1 PERSONAL AND FAMILY SERVICES AND ASSISTANCE RECEIVED DURING THE 18-MONTH FOLLOW-UP PERIOD	50
III.2 EMPLOYMENT AND EARNINGS DURING THE 18-MONTH FOLLOW-UP PERIOD.....	52
III.3 CHARACTERISTICS OF THE CURRENT OR MOST RECENT JOB, FOR SAMPLE MEMBERS WHO WERE EMPLOYED DURING THE FOLLOW-UP PERIOD	56
III.4 PARTICIPATION RATES IN TANF, FOOD STAMPS, AND OTHER PUBLIC ASSISTANCE PROGRAMS DURING THE MONTH BEFORE THE 18-MONTH SURVEY	59
III.5 IMPACTS ON MONTHLY INCOME SOURCES.....	61
III.6 CLIENTS' SELF-EFFICACY, SELF-ESTEEM, AND FUTURE ORIENTATION AT THE TIME OF THE 18-MONTH FOLLOW-UP SURVEY.....	64
III.7 DIFFERENCES IN THE PREVALENCE OF OBSTACLES AND HARDSHIPS AT THE 18-MONTH FOLLOWUP	66

FIGURES

Figure		Page
I.1	THE ROLE OF THE FUTURE STEPS PROGRAM IN SUPPORTING WORK AND ECONOMIC INDEPENDENCE.....	6
I.2	GEOGRAPHICAL REPRESENTATION OF THE STATE OF ILLINOIS AND THE FIVE FUTURE STEPS COUNTIES.....	8
II.1	TOPICS OF COUNSELING/DISCUSSION CONTACTS	35
II.2	USES OF SUPPORTIVE SERVICE PAYMENTS.....	38
III.1	EMPLOYMENT AND TRAINING SERVICES RECEIVED DURING THE 18-MONTH FOLLOW-UP PERIOD.....	47
III.2	LOGISTICAL SUPPORTIVE SERVICES RECEIVED DURING THE 18-MONTH FOLLOW-UP PERIOD.....	49
III.3	EMPLOYMENT RATES DURING THE 18-MONTH FOLLOW-UP PERIOD, BY MONTH.....	53
III.4	AVERAGE EARNINGS DURING THE 18-MONTH FOLLOW-UP PERIOD, BY MONTH.....	55
III.5	IMPACTS ON AVERAGE MONTHLY INCOME FROM EARNINGS AND OTHER SOURCES.....	60
III.6	HOUSEHOLDS LIVING ABOVE AND BELOW POVERTY AT 18-MONTH FOLLOWUP	62
III.7	NUMBER OF MAJOR OBSTACLES AND HARDSHIPS AMONG SAMPLE MEMBERS DURING THE FOLLOW-UP PERIOD.....	65

IMPACTS OF THE FUTURE STEPS RURAL WELFARE-TO-WORK PROGRAM: KEY FINDINGS AND LESSONS

The Rural Welfare-to-Work (WtW) Strategies Demonstration Evaluation is using rigorous experimental designs to build knowledge about strategies to help low-income families in rural areas strive toward sustained employment and self-sufficiency. This report examines the 18-month impacts of the Future Steps program on the employment, earnings, welfare dependence, and well-being of work-ready low-income people in rural, southern Illinois. During a recent two-year period, this employment-focused case management program served mandatory TANF and food stamp recipients, as well as low-income volunteers. Through job search and placement assistance, skill-building and support services, and postemployment assistance, Future Steps aimed to help clients overcome obstacles, develop skills, find and keep good jobs, and progress toward economic independence. The program was viewed as potentially effective since it (1) teamed the welfare agency with a community college, (2) benefited from the local connections of program staff, and (3) provided small caseloads of 15 to 35 active clients per case manager.

Mathematica Policy Research, Inc. and its subcontractors, Decision Information Resources, Inc. and the Rural Policy Research Institute, are conducting this evaluation with funding from the U.S. Department of Health and Human Services, Administration for Children and Families. Based on a random assignment evaluation of the Future Steps program, this report addresses three key sets of research questions:

1. How was Future Steps implemented and operated, and what did it cost?
2. How effective was Future Steps at increasing employment and earnings, reducing welfare dependence, and improving other measures of well-being?
3. What are the implications and lessons for policy, programs, and evaluations?

KEY FINDINGS

Program Implementation and Costs

- The core program model was implemented largely as intended. Many participants received services and support for an extended period—16 months, on average. Future Steps offered more support than was otherwise available in the local area.
- Significantly more program group than control group members received employment-related services and various types of supportive services. Moreover, the program group scored higher than the control group on self-efficacy and future orientation scales.

- Despite a high average level of service use, more than one-fifth of all Future Steps clients received few services and had little contact with the program. Those who did not obtain a job or were served during the program's second year were more likely to be in this group.
- One element of the program model—employer-focused job readiness and vocational training—was never implemented, partly because Future Steps did not invest adequate time and effort into planning for it and building the necessary employer relationships.
- The cost to operate Future Steps during a one-year, steady-state period was estimated as \$333,214, which translated into an overall cost of \$2,901 per participant.

Impacts on Employment, Self-Sufficiency, and Well-Being

- There was no evidence that Future Steps improved employment and earnings or reduced welfare dependence and poverty. At the 18-month followup, a little more than half of sample members were employed, and close to two-thirds lived in poverty.
- There was no evidence of program impacts for subgroups of clients defined by which year they participated or how employable they were when they enrolled.

Possible Reasons for the Lack of Program Impacts

- Some clients received few services or insufficient ones, which partly reflects the limited training and support given to case managers, who varied in skills and initiative.
- Future Steps was not able to capitalize on the employer connections and job-training resources that its community college partner offered. This difficulty reduced the scope of the program's job readiness and job placement efforts.
- Regardless of program implementation, the small and insignificant magnitude of the program versus control group differences in key outcomes suggests that basic case management is not likely to be an adequate intervention for improving employment and self-sufficiency in rural areas. Still, it may be an important piece of a stronger intervention.

LESSONS FOR FUTURE PROGRAMS IN RURAL AREAS

- In implementing programs in rural areas, local staff connections and initiative appear vital. In addition, adequate compensation is important for staff recruitment, retention, and performance; careful training and ongoing support are essential when staff are in dispersed areas; and organizational performance incentives may have special value.
- Collaborative efforts between job developers and employers may be essential for strong interventions in rural areas. Economic development through wage subsidies, tax credits, and low-interest employer loans, and community improvements such as public van services, low-cost car loans, and good-quality, accessible child care may also have value.
- Evaluations of rural programs must address challenges related to constraints of scale. The sample size and power of an evaluation can be increased by expanding a program's enrollment period, target population, geographic catchment area, or number of locations.

EXECUTIVE SUMMARY

The Rural Welfare-to-Work (WtW) Strategies Demonstration Evaluation is building knowledge about strategies to help low-income rural families strive toward sustained employment, self-sufficiency, and improved family well-being. The demonstration arose in response to a lack of evidence about how to meet the particular needs of low-income people in rural areas. In rural labor markets, for instance, jobs are generally scarcer than in urban ones, and the available jobs more often involve low wages or part-time work. Education and training and other services may be more difficult to obtain. A lack of public transportation can make access to jobs and services complicated. Moreover, tight-knit social networks can make jobs more difficult to obtain for long-term residents with poor personal or family reputations or for newcomers with few local ties.

This report from the Rural WtW Strategies Demonstration Evaluation examines the impacts of the Future Steps program on the employment, self-sufficiency, and well-being of work-ready low-income people in rural Illinois, including mandatory Temporary Assistance for Needy Families (TANF) and food stamp recipients, as well as low-income volunteers. This experimental design evaluation of Future Steps provides the first rigorous test of a promising employment-focused case management model in a rural welfare-to-work context. Similar case management models have already been tested in urban areas, but demonstrated few positive effects. Future Steps was an improvement over previous models, however, and was viewed as potentially effective, for several reasons. The model (1) responded to the scarcity of services and jobs by teaming the welfare agency with a regional community college; (2) drew on the local connections of program staff to help clients gain access to services, resources, and jobs; and (3) provided very small caseloads of between 15 and 35 active clients per case manager.

Mathematica Policy Research, Inc. (MPR) and its subcontractors, Decision Information Resources, Inc. and the Rural Policy Research Institute, are conducting the Rural WtW Strategies Demonstration Evaluation with funding from the U.S. Department of Health and Human Services, Administration for Children and Families. In this report, we (1) chronicle the design and operation of Future Steps and assess program participation, service delivery, and costs; (2) examine 18-month impacts on employment, earnings, welfare dependence, and

well-being; and (3) draw lessons and recommendations about implementing, designing, and testing future welfare-to-work programs in rural areas.

THE RURAL WELFARE-TO-WORK STRATEGIES DEMONSTRATION EVALUATION

The Rural WtW Strategies Demonstration Evaluation is using rigorous experimental designs to assess whether two promising programs—Future Steps and Building Nebraska Families (BNF)—improve the employment, earnings, and well-being of low-income people in rural areas. While Future Steps served a broad segment of the low-income population, BNF (an innovative family life skills education program) targets hard-to-employ TANF recipients. Like Future Steps, BNF involves a partnership between a state welfare agency and a postsecondary educational institution (in this case, a university-based cooperative extension service). The evaluations of these two programs are on a staggered schedule, as enrollment was completed a year and a half earlier in Illinois than in Nebraska. This report focuses on 18-month Future Steps impacts; a forthcoming report in summer 2006 will focus on 18-month BNF impacts. Future reports will present 30-month impacts and cost-benefit findings for both programs.

This evaluation of Future Steps addressed three sets of research questions:

1. How was Future Steps implemented and operated, and what did it cost?
2. How effective was Future Steps at increasing employment and earnings, reducing welfare dependence, and improving other measures of well-being? Was the program more effective for certain subgroups of clients?
3. What are the implications and lessons for policy, programs, and evaluations?

An experimental design, coupled with a multifaceted data analysis strategy, was used to examine the effectiveness of Future Steps and draw lessons from it. Using random assignment, 630 people eligible for scarce program slots were assigned to either the treatment group or a control group (313 and 317, respectively). We estimated program impacts by comparing mean outcomes for the two groups 18 months after random assignment, and we improved the precision of the estimates by using multivariate regression methods. We obtained data to support the impact analyses from three primary sources: (1) a baseline information form completed by all sample members at the time of random assignment; (2) a comprehensive, 45-minute telephone interview administered 18 months after random assignment (with an overall response rate of 83 percent); and (3) Illinois state administrative records data for all sample members on employment, earnings, and public assistance. Complementing the impact analyses, we conducted a thorough assessment of program implementation and costs. We relied on three data sources: (1) service use data tracked through a customized program information system, (2) qualitative information from two rounds of in-depth site visits, and (3) insights from focus groups with both program and control group members.

FUTURE STEPS: PROMOTING WELFARE-TO-WORK IN RURAL ILLINOIS

Through extended case management, Future Steps intended to help clients not only overcome obstacles and develop practical and vocational skills, but also find and keep good jobs and progress toward economic independence. The program design envisioned several core services or elements: (1) an assessment of skills and interests; (2) individualized job search, job placement, and skills enhancement plans; (3) help in overcoming personal and logistical barriers through outside referrals, \$500 in flexible supportive service payments, and mentoring; and (4) extended postemployment support. In addition, employer-focused job readiness and vocational training was part of the original program plans. However, as described below, this program element was not realized. Figure 1 illustrates the key elements of Future Steps and how they aimed to support clients' efforts toward employment and self-sufficiency. Clients generally received regular services and support from the program until they had found a job and been employed for three months. After that, they accessed services as needed, which was well over a year for most.

Future Steps operated as a partnership between the job placement center at Shawnee Community College (SCC), based in Ullin, Illinois, and the Illinois Department of Human Services (IDHS). The program operated from July 2001 to September 2003, serving more than 300 participants across five counties in an economically distressed region of southern Illinois. The Future Steps staff included a part-time program director (who doubled as the SCC placement center director), a program coordinator, and five case managers (called "career specialists"), who were stationed in each of the five county-level IDHS offices. Most Future Steps clients were referred to the program by IDHS staff.

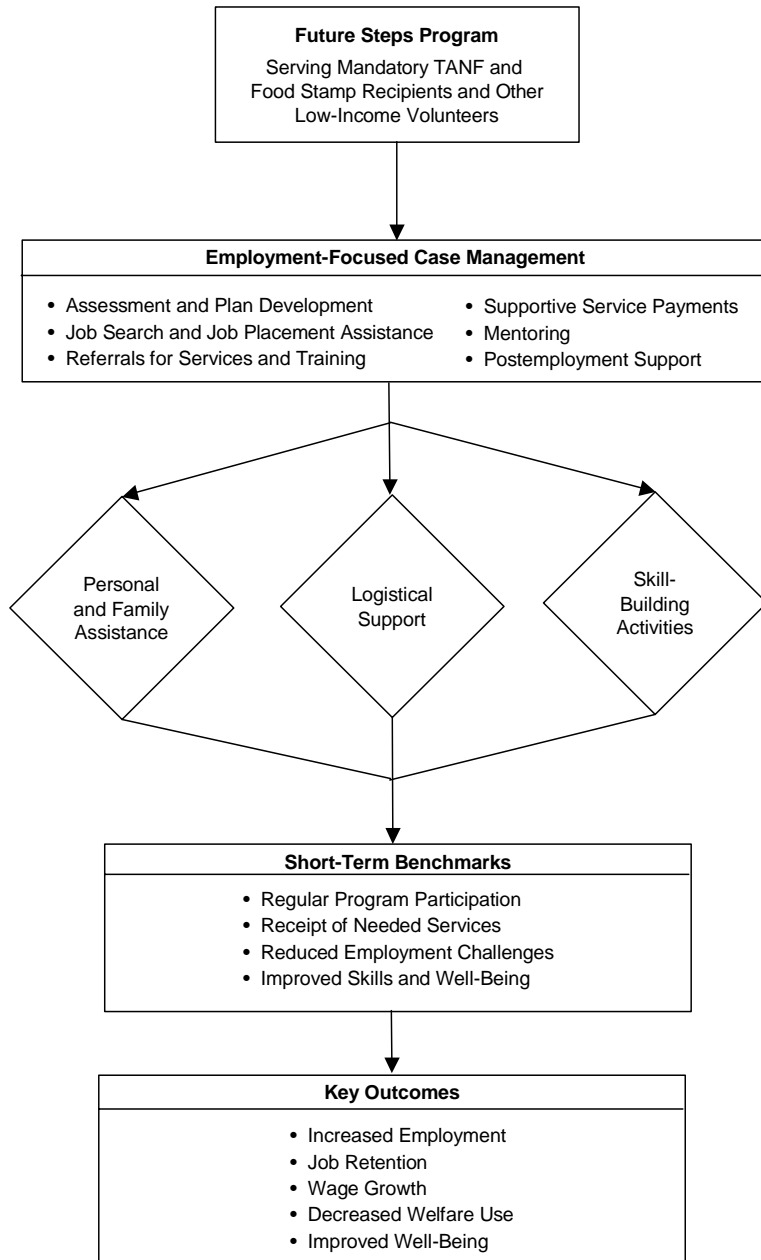
ASSESSMENT OF PROGRAM IMPLEMENTATION AND COSTS

To put the impact findings into context and to identify operational issues that may be unique to a rural context, it is important to understand the implementation of the program. Here, we highlight important successes and challenges in implementing Future Steps.

- ***The core Future Steps program was implemented largely as intended, with many participants receiving substantial support over an extended period.***

Future Steps staff, by and large, provided the core services of the program successfully. Many clients received services at a substantial level of intensity over an extended period. Moreover, Future Steps appeared to offer substantially more individualized support to clients than was otherwise available in the local area. On average, clients had 25 contacts with a Future Steps career specialist over a 16-month period. These contacts often comprised several activities, such as employment assistance, support for transportation and other service needs, and mentoring on personal and family matters. The average client also received three or four supportive service payments, totaling nearly \$300.

Figure 1. The Role of the Future Steps Program in Supporting Work and Economic Independence



-
- ***Despite a high level of service use for many, some Future Steps clients—particularly those who did not obtain employment or those who were served during the evaluation’s second year—received few services.***

While about two-fifths of clients received substantial services over an extended period, one-fifth received few services and had little contact with career specialists. Moreover, nearly 3 in 10 clients did not receive a supportive service payment. In general, clients who became employed during the follow-up period participated more actively and received more services than clients who did not become employed. Service use was also broader and more intensive among clients who enrolled during the demonstration’s first year, when the program was better implemented and service delivery conformed more closely to the program model. During the second year of the evaluation period, the operation and service delivery of Future Steps weakened, largely because of staff turnover and budget pressures within SCC.

- ***One element of the program model—employer-focused job readiness and vocational training—did not materialize.***

Future Steps intended to enhance clients’ work readiness and job-specific skills by working with local employers to develop and implement customized job training. Future Steps planned to build on SCC’s vocational-training resources and community connections to make it easier to develop collaborative job training efforts with employers. It was intended that employer-based training would help prepare clients for, and connect them to, good jobs in the local area—jobs that offer decent wages and a chance for benefits and advancement. This customized employer training, as envisioned, would have included work readiness training, life skills building, and job-specific vocational instruction, all of which SCC could have helped develop and implement. Unfortunately, this program element was never fully developed or implemented, for reasons described in greater detail below.

- ***Although Future Steps appeared to improve clients’ personal functioning, some clients expressed concerns about the program’s ability to provide effective assistance in a weak job market.***

Program group members scored significantly higher than control group members on scales that measured self-efficacy and orientation toward the future. Likewise, during the focus groups, many clients reported that Future Steps helped strengthen their motivation and self-confidence and gave them a sense of control over their lives. Even though Future Steps made many clients feel good about themselves and their efforts, some expressed concerns about the lack of readily available employment opportunities in the area and the limited services Future Steps provided to help address this.

- ***The average overall cost of serving a Future Steps participant was \$2,901.***

For the evaluation's cost study, we examined the market value of all resources used to operate the program during a one-year, steady-state period of operations. We estimated that the annual cost to operate Future Steps was \$333,214, which translated into an overall cost per participant of \$2,901. We estimated that Future Steps cost somewhat less per participant than comparable programs from the Evaluation of the Welfare-to-Work Grants Program (Perez-Johnson et al. 2002).

IMPACTS ON EMPLOYMENT, SELF-SUFFICIENCY, AND WELL-BEING

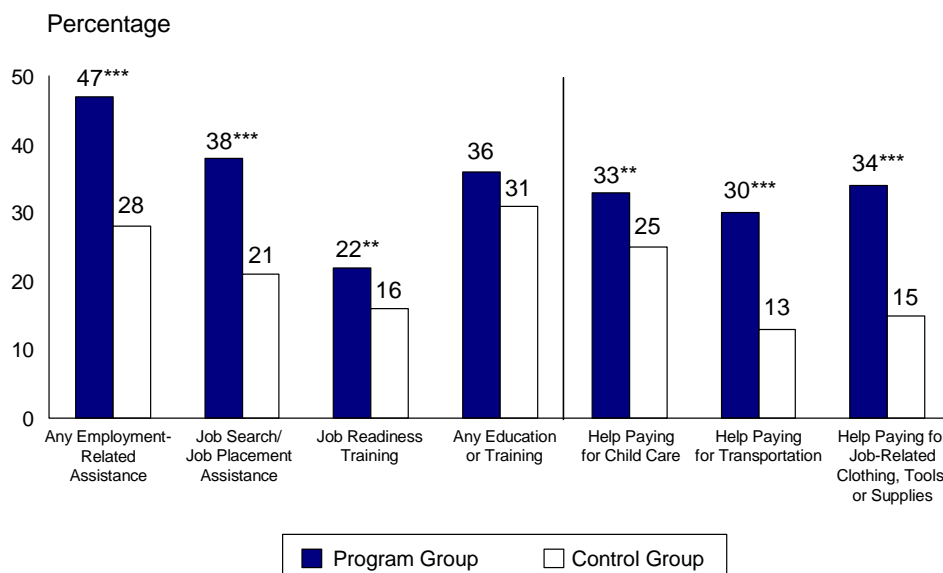
Eighteen months after program group members enrolled in Future Steps, we hypothesized that they would have, on average, higher employment rates and earnings, lower TANF and family poverty rates, and greater levels of personal and family well-being than control group members. For Future Steps to effect these improvements, the program would have to deliver more services to program group members than were received by control group members.

- ***Significantly more program group than control group members received services.***

Using the 18-month follow-up survey data, we compared all the services and resources used by both program group and control group members during the follow-up period. Program group members were significantly more likely than their control group counterparts to report having received various types of assistance (Figure 2). For example, nearly half of all program group members reported on the 18-month follow-up survey that they had received some type of employment preparation assistance, with job search and job placement assistance the most common form. Program group members were much more likely than their control group counterparts to receive logistical support, including help finding and paying for transportation, child care, and job-related clothing, tools, or supplies. Higher fractions of program than control group members received life skills training and mediation services, though only about one-tenth of program group members received each of these services (not shown).

- ***There is no evidence that Future Steps improved employment and earnings.***

Despite the significant service use differences, Future Steps did not translate into positive impacts on employment and earnings (Figure 3). Three-quarters of both groups were employed at some point during the follow-up period, and a little more than half were employed 18 months after random assignment. Earnings also were similar for the two groups. Job turnover was common, and program group members held significantly more jobs than control group members. More than two-fifths of the program group, compared with one-third of the control group, held two or more jobs during the follow-up period. The job changes the program group made, however, did not reflect a move into better or higher-paying jobs. Both program group and control group members held similar, low-wage jobs—only \$6.78 per hour for program group members, on average (not shown).

Figure 2. Services Received During the 18-Month Follow-Up Period

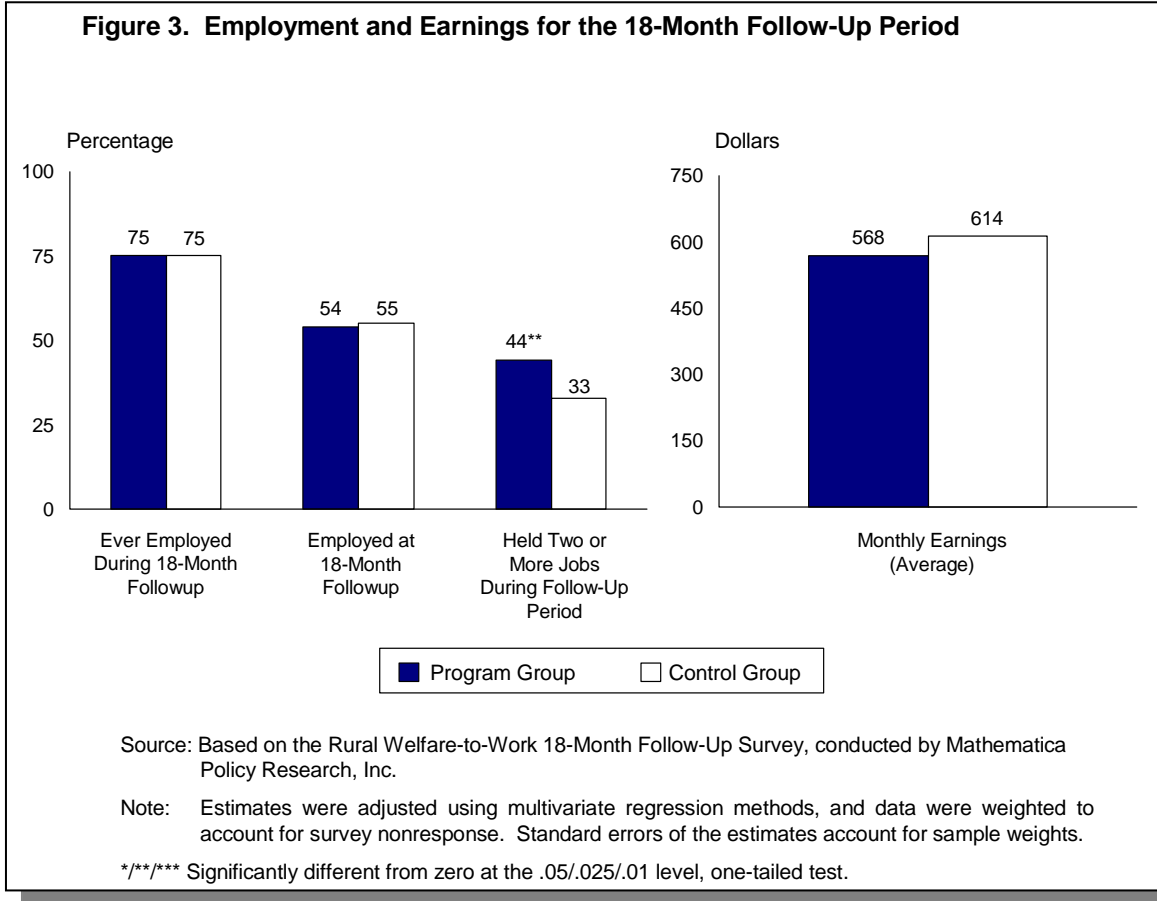
Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: Estimates were adjusted using multivariate regression methods, and data were weighted to account for survey nonresponse. Standard errors of the estimates account for sample weights.

*/**/** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

- ***Future Steps did not reduce welfare dependence or improve self-sufficiency.***

A year and a half after random assignment, there were no significant impacts on the receipt of TANF, food stamps, or other forms of public assistance (Figure 4). During the month before the 18-month follow-up survey, similar fractions of both groups reported receiving public assistance: about 1 in 7 received TANF, and about 3 in 4 received food stamps. In addition, the program did not have an effect on household income or poverty. At the 18-month followup, more than two-thirds of program group members lived in households whose monthly income was below the federal poverty level (Figure 4). Hardships were also similarly pervasive for both groups. During the follow-up period, half of all sample members faced three or more serious personal or logistical challenges—for example, challenges relating to health, transportation, child care, housing, and food (not shown). Such hardships can make it difficult to get a job, stay employed, and progress toward self-sufficiency.

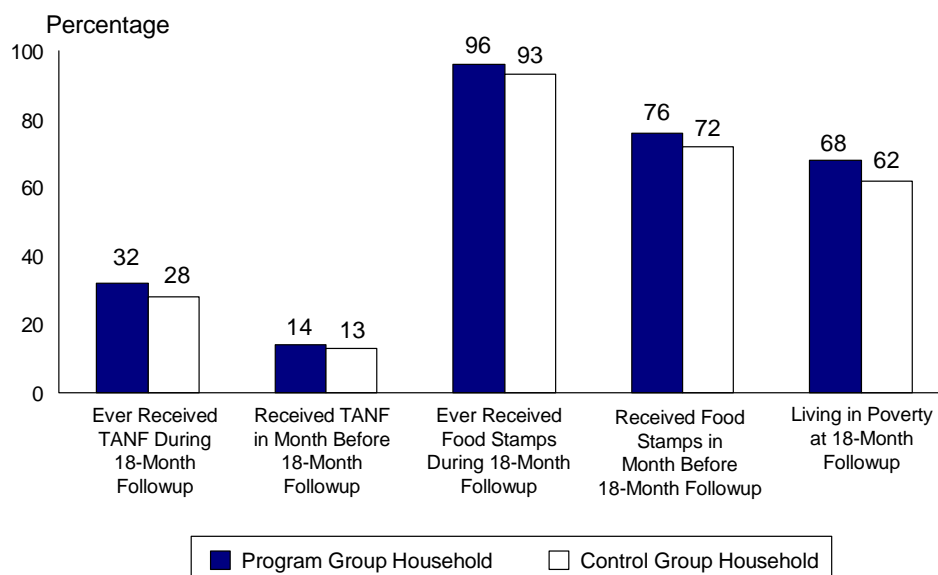


- ***There was no evidence of program impacts for subgroups of clients defined by which year they participated or how employable they were when they enrolled.***

Future Steps was better implemented during its first year. Although the pattern of the findings shows hints of better program effects on economic outcomes for clients who enrolled and were served during this first year, the program-control differences were insignificant and very small. For other subgroups, differences in key outcomes were neither significant nor informative. In particular, there was no evidence that the program improved employment, earnings, or self-sufficiency for clients who were either more employable or less employable when they enrolled.

POSSIBLE REASONS FOR THE LACK OF PROGRAM IMPACTS

Three factors might help explain why Future Steps did not have impacts on employment, earnings, and self-sufficiency. The first two relate to shortcomings in implementing program services. The third factor, and likely the more important, relates to inadequacies in the scope of the program intervention, as designed. Each of the factors, described below, might have weakened the ability of Future Steps to effect an overall change in clients' employment status and self-sufficiency.

Figure 4. Welfare Dependence and Poverty Status for the 18-Month Follow-Up Period

Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey and administrative records data from the state of Illinois. The survey was conducted and the administration records data were compiled by Mathematica Policy Research, Inc.

Note: Estimates were adjusted using multivariate regression methods, and data were weighted to account for survey nonresponse. Standard errors of the estimates account for sample weights.

*/**/** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

- ***Some clients received few services or insufficient ones, which partly reflects the limited training and support given to career specialists, who varied in skills, initiative, and experience.***

Although the basic Future Steps case management model was reasonably well implemented, there were gaps in the program's coverage of clients. Services may not have gone far enough, even during the program's better-implemented first year, in connecting many clients with jobs or helping them overcome challenges. While some clients may not have wanted or needed services, staff may not have been able to reach others or help them in a meaningful way. Service use was particularly low among clients who were never employed during the follow-up period, suggesting that the program might have done more to help these clients secure employment.

Overall, Future Steps did not prepare or support its career specialists at a level commensurate with the high expectations it placed on them. Although the career specialists were dedicated, caring, and hard-working professionals, they varied in skill and initiative and some had limited education and prior experience. The program's incomplete coverage in serving clients partly reflects the limited training and support the career specialists received.

- ***Future Steps was not able to capitalize on the employer connections and job-training resources that its community college partner offered, thus lessening the scope of its job readiness and job placement efforts.***

A community college's education and training opportunities, job placement and career-planning resources, and employer connections can be beneficial to welfare-to-work efforts. As a locally respected institution, a community college can also encourage program enrollment and reduce the stigma often attached to welfare programs in rural areas.

Despite the many advantages of working with a community college, Future Steps did not effectively capitalize on the employer connections and job-training resources the college offered. Because Future Steps did not develop and implement its employer-focused job training, the potential reach of the program's job readiness and job placement efforts was reduced. Future Steps did not invest adequate time and effort into planning for this program component and building the employer relationships necessary to support it. Fully capitalizing on the college's connections and resources would have been easier had Future Steps designated more staff resources for it, such as a specialized job developer or a full-time program director, rather than a part-time one. In addition, if this component had been pilot-tested, as were the other components of the Future Steps model, it would have had a better chance of success.

- ***Regardless of program implementation, basic case management is not likely to be an adequate intervention for improving employment and self-sufficiency in rural areas. Still, it may be an important piece of a stronger intervention.***

The evaluation of Future Steps provided a good test of the effectiveness of basic employment-focused case management in a rural setting. The absence of program impacts on key outcomes suggests that case managers, no matter how skilled and effective, are limited in what they can help their clients accomplish. If, as in southern Illinois, an area lacks good jobs and adequate services like child care and transportation, then case management services alone appear unlikely to overcome such limitations. Indeed, the findings indicate that control group members, without the assistance of Future Steps, were just as likely as program group members to secure and maintain the mostly low- and semiskilled jobs that were available. Moreover, given the small and insignificant magnitude of the program versus control group differences in key outcomes, any gains from a better-implemented case management intervention would very possibly still have led only to marginal improvements in the economic prospects of the relatively work-ready population Future Steps served.

Overall, the findings suggest that basic case management services are not likely to be an adequate intervention to help low-income people in distressed rural areas address obstacles, find lasting employment, and become self-sufficient. This conclusion supports what other studies have already suggested about employment-focused case management in urban areas (Rangarajan and Novak 1999). The findings appear to suggest a need for additional program elements to help low-income people in rural areas move to sustained employment and self-

sufficiency. Community disadvantages like high unemployment and limited job opportunities may be difficult to overcome without expanded services and community and economic development efforts that go beyond case management. Case management, though not a program solution on its own, may still be a useful way to provide beneficial services to clients, as long as services are coupled with other efforts that address individual and community employment challenges in a more systematic and substantial way.

LESSONS FOR FUTURE WELFARE-TO-WORK PROGRAMS IN RURAL AREAS

The evaluation findings demonstrate the inherent challenges in helping low-income people in rural areas make the transition to employment and self-sufficiency. Despite the absence of impacts on employment, earnings, and self-sufficiency, this Rural WtW evaluation of Future Steps still offers useful lessons for shaping the implementation, design, and evaluation of future programs in rural areas. These lessons may help identify promising program models for future demonstrations and provide guidance for implementing and testing them successfully.

Implementing Programs in Rural Areas

To implement strong programs in rural areas, administrators must adapt to conditions specific to rural places: few good jobs, limited services and resources, and the geographic dispersion of people and places. In addition, tight-knit local communities can impede employment efforts for those with a poor reputation or few ties to a local area. These conditions should be considered in the design and implementation of program models in rural areas. The experiences from the Future Steps evaluation suggest several lessons on program operation and case management service delivery in a rural context. Although the potential effect of these lessons or factors is not known, each may be important for implementing programs in rural areas successfully.

- ***Local staff connections and initiative appear to be important elements of successful service delivery in rural areas.*** The most capable case managers in rural areas may be those familiar with their communities and able to identify, and connect clients to, opportunities and services. Staff connections and the initiative and resourcefulness to use them can help in making referrals, identifying job openings, vouching for clients to prospective employers, and mediating clients' problems. Vouching for clients may have special value in rural communities, in which a poor personal or family reputation can negatively affect a person's economic prospects.
- ***To promote staff recruitment, retention, and a high degree of skill and performance, an adequate investment in staff compensation is important.*** The quality of case management service delivery depends greatly on staff capabilities. Program leaders in rural areas may find it challenging to recruit and keep staff who have the necessary combination of skills, community familiarity, and professionalism. Offering full-time positions with a full set of employment

benefits and a competitive wage will likely help in recruiting and keeping qualified local staff for programs in rural areas.

- ***Careful training, oversight, and ongoing support are essential for staff in dispersed, rural areas.*** Staff in dispersed, rural areas are often expected to exercise substantial independence and discretion in their daily work. To work effectively in this context requires a high level of maturity, professionalism, and self-motivation, as well as broad skills. Training, oversight, and ongoing support are important for guiding the work of staff in dispersed locations. While this is true for dispersed staff in general, it is especially important for those who may have limited education and professional experience.
- ***Incorporating performance incentives into agreements with partner organizations may help programs stay focused on goals.*** Performance-based incentives can encourage program staff to meet predetermined objectives, such as those related to program enrollment, job placement, job retention, and the use of supportive service funds. This type of management tool may be particularly useful when programs will not be sustained at the end of a funding period, or when partners with diverse organizational missions are likely to face resource and staffing constraints.

Designing Welfare-to-Work Programs in Rural Areas

One of the fundamental goals of the Rural WtW demonstration is to identify program strategies that policymakers should consider in designing future welfare-to-work programs. The absence of impacts in this evaluation of Future Steps implies a need for stronger interventions that target low-income workers in rural areas. We highlight several program strategies below that may help strengthen future welfare-to-work interventions in rural areas. Interventions that include one or more of these strategies may be good candidates for further evaluation, as their potential effectiveness is uncertain.

- ***Building linkages with employers to promote job opportunities may take on added importance in rural areas with few good jobs.*** Involving job developers in program efforts may be essential. By working collaboratively with employers, programs may help identify and develop good job opportunities for their clients and may help prepare and train clients for jobs. At a minimum, creating employer linkages requires substantial planning and effort. Employers must perceive benefits in working with a welfare or workforce agency and must overcome concerns about prospective employees' work attitudes and dependability. Developing relationships with employers and job opportunities for clients may require investing in specialized job development services. Welfare and workforce agencies and their programs may have more success collaborating with employers if they hire or contract with professional job developers.

- ***Economic development represents an important strategy for improving the employment prospects of low-income workers in distressed rural areas.*** Rural areas with few job opportunities may need to look beyond welfare-to-work interventions. For example, wage subsidies, tax credits, and low-interest loans to employers are incentives that state welfare and workforce agencies and other policymakers might consider for disadvantaged rural areas. Such tools can act as incentives for employers to expand their business, create new jobs, hire low- and semiskilled workers, and offer services like on-site child care and van shuttles. In addition, community development efforts may help improve the economic prospects of low-income workers in distressed areas by alleviating challenges they face related to housing and other services.
- ***Systematic improvements to the availability of logistical services like child care and transportation may be needed in many rural areas.*** Reliable transportation and accessible, good-quality child care are support services essential to labor market success. Public van services, low-cost car loans, and good-quality, accessible care during nonstandard work hours may be particularly vital in rural areas with limited resources.

Evaluating Programs in Rural Areas

Conducting evaluations in rural areas is inherently challenging given constraints of scale. Resources and population density are both smaller in rural areas than in urban ones. Two factors may be useful for evaluators and funders to consider in planning future program evaluations in rural areas.

- ***Evaluators of rural programs can increase the sample size and power of an evaluation by expanding a program's enrollment period, target population, catchment area, or number of sites.*** Low population densities in rural areas can make it difficult to form treatment and control groups large enough to detect impacts. As in this evaluation, evaluators of new, promising rural programs may need to think creatively about ways to increase a program's scale and an evaluation's sample size. This can be done, for example, by extending the enrollment period, expanding the target population, increasing the geographic catchment area, or adding program locations or sites. To broaden the number of small-scale programs that can be considered for future evaluations, it might be particularly useful to implement a program model in additional sites (for example, in neighboring counties or other parts of the same state). This may be the most effective way to substantially increase the reach of a small program and make it large enough for an evaluation. If additional sites are added, however, more central guidance and oversight will likely be needed to ensure that sites consistently implement the same program model.

- ***To strengthen program models and their implementation, future evaluations in rural areas might benefit from more intensive technical assistance before and during a demonstration.*** Because of limited local resources, technical assistance may take on added importance in rural areas. Rural areas may generally have fewer resources to invest in the development of new and innovative program models. Moreover, when rural programs encounter operational challenges, it can be relatively difficult to recover and adapt quickly because of fewer local resource choices and options. By design, active technical assistance before and throughout a demonstration evaluation might help strengthen a program model and its implementation.

CHAPTER I

INTRODUCTION

Rural low-income families trying to achieve economic independence face distinct challenges. Low-income people in both rural and urban places may encounter such barriers to employment as limited job skills and inadequate child care. However, the economic and geographic conditions in rural areas often create additional hurdles for welfare recipients and other disadvantaged people hoping to find jobs, maintain employment, and secure long-term well-being. In rural labor markets, jobs are generally scarcer than in urban ones, and the available jobs more often involve low wages or part-time work. Education and training opportunities, as well as services such as health care and mental health care, also may be more difficult to obtain. In addition, a lack of public transportation, common in rural areas, can make access to existing jobs and services difficult. Moreover, tight-knit social networks can further hamper employment efforts. A poor personal or family reputation can negatively affect someone's economic prospects by making local employers less willing to hire that person (Findeis et al. 2001). On the other hand, for people with few ties to an area, a lack of local connections can make jobs more difficult to obtain.

The work requirements in the Temporary Assistance for Needy Families (TANF) and Food Stamp programs have provided a strong impetus for low-income people to find and keep jobs and for states and localities to design and operate programs that help people achieve labor market success and economic independence. The TANF program, established under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, imposes work requirements and a five-year lifetime limit on cash assistance for most recipients. Through PRWORA, the Food Stamp Program similarly instituted employment and training requirements for many recipients, and, in some cases, benefit limits. These requirements and limits to TANF and food stamp benefits have motivated many low-income people to prepare for and find jobs.

The Rural Welfare-to-Work (WtW) Strategies Demonstration Evaluation is rigorously evaluating the effectiveness of programs in rural areas that were designed to address the unique challenges facing the rural poor as they strive toward sustained employment and self-sufficiency. This evaluation arose in response to a lack of evidence about how to help low-income workers in rural areas progress toward economic independence. Using rigorous random assignment designs, the evaluation is assessing whether two programs—Illinois

Future Steps and Building Nebraska Families (BNF)—improve the employment, earnings, and well-being of low-income people in rural areas (see text box). Future Steps is an employment-focused case management program that targets TANF and food stamp recipients and other low-income volunteers, while BNF is a family life skills education program that targets hard-to-employ TANF recipients. Both represent partnerships between welfare agencies and postsecondary educational institutions (a community college in Illinois and a university-based cooperative extension service in Nebraska). Mathematica Policy Research, Inc. (MPR) and its subcontractors, Decision Information Resources, Inc. and the Rural Policy Research Institute, are conducting the evaluation with funding from the U.S. Department of Health and Human Services, Administration for Children and Families (ACF).

This report provides a comprehensive analysis of Illinois Future Steps, a promising case management program. It combines 18-month impact analysis findings with assessments of program implementation, participation, and costs. In this chapter, we describe the demonstration’s site selection process, key features of Future Steps, and the evaluation design and methods. In Chapter II, we chronicle the Future Steps experience, describe the target population and community context, discuss findings related to program operations and participation, and examine program costs. In Chapter III, we present impact findings, including treatment versus control group differences in service use; impacts on employment, earnings, welfare dependence, and quality of life; and findings for key subgroups. In Chapter IV, we offer lessons and recommendations related to designing, implementing, and evaluating welfare-to-work programs in rural areas.

SELECTING PROMISING RURAL PROGRAMS FOR THE DEMONSTRATION

Through the Rural WtW Strategies Demonstration Evaluation, policymakers wanted to learn more about rural welfare and workforce program approaches. During the evaluation’s early phases, MPR worked closely with ACF to identify promising local programs in several states that could be evaluated using rigorous, random assignment methods.

Program Selection Criteria

In selecting programs, we focused on existing programs in rural locations that were designed to address challenges unique to rural areas. The rural programs were required to meet several important criteria:

- ***Local programs are strong.*** Programs were selected only if they were viewed as innovative, well run, and important from a national policy perspective. In addition, program services needed to be substantially different from the local services otherwise available to eligible clients so that meaningful differences in service receipt and impacts could be reasonably achieved and measured.

THE RURAL WELFARE-TO-WORK STRATEGIES DEMONSTRATION EVALUATION

The Rural Welfare-to-Work Strategies Demonstration Evaluation is the first rigorous, systematic evaluation of programs designed to help move rural families from welfare to sustained employment, job progression, and economic independence. The evaluation includes three complementary studies:

- ***Implementation and Cost Study.*** The evaluation includes an in-depth examination of the context, operation, and costs of both the Illinois Future Steps and the BNF programs based on site visits, program records, and client focus groups. We are identifying important implementation issues, examining how programs achieved observed results, drawing lessons about service delivery challenges and innovation, and developing estimates of program costs.
- ***Impact Study.*** A random assignment design is allowing evaluators to determine what difference the programs make in clients' employment, earnings, welfare dependence, and well-being. For both Future Steps and BNF, people eligible for scarce program slots were assigned to either a treatment group (who were offered program services) or a control group (who were not offered program services but were able to use all other available services). We are comparing the behaviors and outcomes of these two groups over time to determine each program's net impact.
- ***Cost-Benefit Study.*** The evaluation will calculate estimates of net program cost-effectiveness based on data from the impact and implementation studies and published research (assuming that impacts are positive and significant). Study plans include analyses of the distribution of costs and benefits from several perspectives—participant, government, and society at large.

The Rural Welfare-to-Work Strategies Demonstration Evaluation began in 2000 and will extend through fall 2007. The two programs and evaluations were implemented on a staggered schedule, with random assignment and data collection completed a year and a half later in Nebraska than in Illinois. A report on cross-site program implementation lessons was finalized in early 2004. This report presents 18-month impact findings for Illinois Future Steps, along with an assessment of program implementation, participation, and costs. In summer 2006, we will present a similar set of findings for BNF. After that, we will report on 30-month impacts and cost-benefit findings for both programs.

- ***Random assignment is feasible.*** Because it was important to conduct a rigorous evaluation, a random assignment design was introduced. Random assignment was judged to be feasible if (1) the demonstration would not deny people access to services or benefits to which they were entitled, and (2) there were more people eligible and suitable for the program than the program was funded to serve.
- ***Potential research sample is adequate.*** The larger the sample size, the better the chance of reliably detecting program impacts. As a target for a balanced evaluation design, we established a minimum sample of 600 people (300 each in the treatment and control groups) enrolled over an 18- to 24-month period. This target can be difficult to achieve in rural areas, because of the small scale of the areas and population dispersion.

Using a multistage process, we and ACF examined and considered 25 initiatives across 20 states. Given the relatively small scale of many rural areas and programs, it was challenging to identify programs that met the selection criteria. Ultimately, we selected three distinct program models to study: (1) Illinois Future Steps, (2) Building Nebraska Families, and (3) Tennessee First Wheels (an interest-free car loan program). Unfortunately, the Tennessee First Wheels Program formally withdrew from the evaluation in September 2003, after the random assignment process was under way.¹ To form sufficiently large samples, participating states broadened their target populations to include food stamp recipients and low-income volunteers (in Illinois) and additional rural counties (in Nebraska).

Testing Case Management in a Rural Context

The evaluation of Future Steps provides the first rigorous test of an intensive, case management model in a *rural* welfare-to-work context. By working with clients over an extended period, Future Steps was designed to prepare low-income people in rural areas for work and help them find and keep good jobs and make progress toward economic independence. Similar employment-focused case management models had already been tested in urban welfare-to-work contexts but demonstrated few positive effects. In particular, the Postemployment Services Demonstration (PESD) found few impacts on employment, earnings, and welfare dependence for the four urban case management programs it evaluated (Rangarajan and Novak 1999). Like Future Steps, these programs focused on case management services, without engaging in more systematic efforts to build clients' skills, cultivate employment opportunities, or expand local services.

¹ Tennessee withdrew due to difficulties enrolling clients into the program and shifting state budget priorities that reduced the program's funding.

Despite uncertainty about the effectiveness of welfare-to-work programs that emphasize case management, an enhanced case management model like Future Steps was viewed as potentially effective in a rural setting, for several reasons. First, by teaming with a regional community college, the state welfare agency positioned itself to respond to the scarcity of job opportunities and services in southern Illinois. Drawing on the resources of the community college, Future Steps aimed to prepare clients for work, help them find and keep good jobs, and build job training and development efforts with local-area employers. In so doing, Future Steps was intended to add value to the limited opportunities and services already present in the region.

Second, Future Steps hoped to capitalize on existing community connections by hiring staff with strong local knowledge, familiarity, and ties. The program hoped that staff would act resourcefully in drawing on their local connections and knowledge to help clients gain access to services, resources, and employers; vouch for them as candidates for available jobs; and, as appropriate, mediate problems they faced.

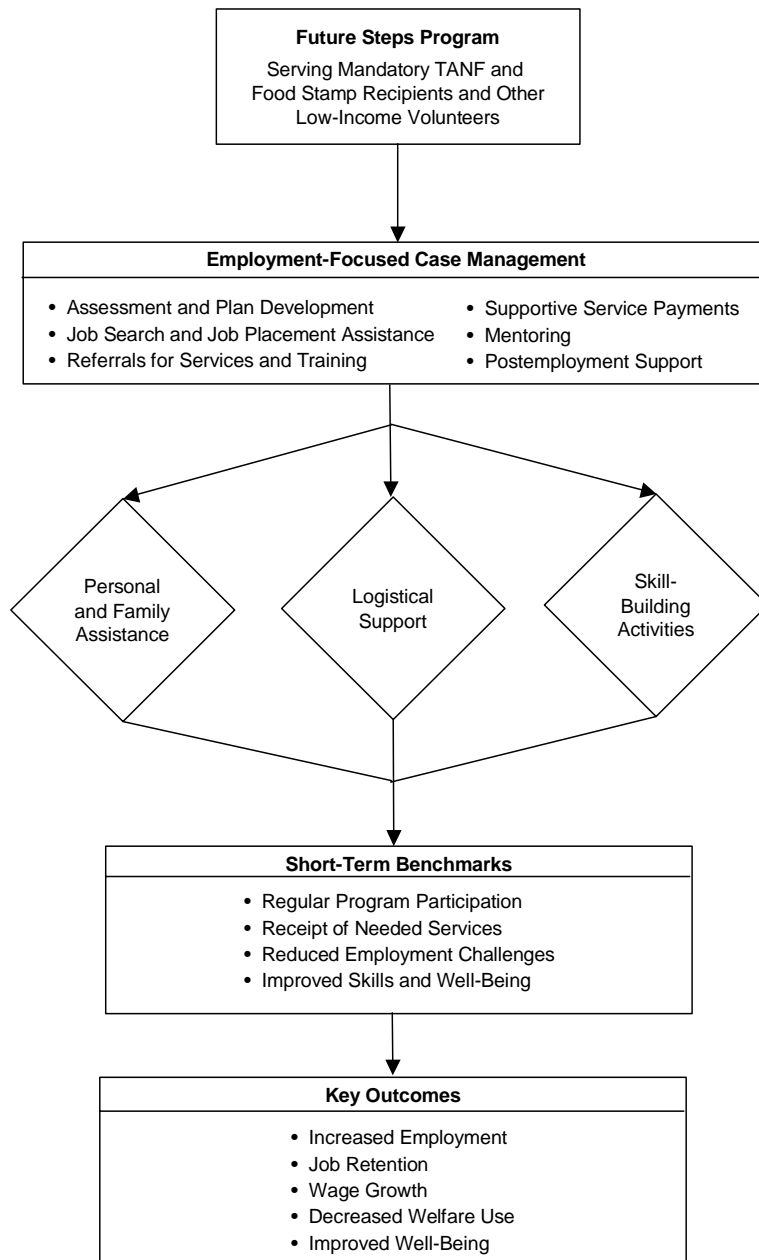
Finally, because Future Steps case managers carried very small caseloads, they were able to work with clients intensively. Caseloads averaged 15 to 35 active clients, plus 10 to 15 transitional clients per case manager. This size was much lower than most other welfare-related case management programs, allowing for frequent, individualized mentoring and support both before and after clients became employed. For example, Future Steps caseloads were at least half the size of those in PESD, which were 100 to 170 clients per case manager, on average (Rangarajan and Novak 1999).

WELFARE-TO-WORK IN RURAL ILLINOIS: THE FUTURE STEPS PROGRAM

Future Steps encompassed a mix of employment-related services, including intensive job search and placement assistance; individualized supportive services, referrals, and mentoring; \$500 in flexible supportive service payments; and extended postemployment support. Clients generally received regular support until they had found a job and been employed for three months. After that, they accessed Future Steps services less intensively, as needed. The average length of enrollment was nearly 16 months. The program served more than 300 participants across five southern Illinois counties from July 2001 to September 2003. A program diagram illustrates the key elements of the program and how they are intended to help clients enhance vocational and life skills and address personal and logistic challenges as they prepare for work, obtain and maintain employment, and progress toward self-sufficiency (Figure I.1).

Future Steps operated as a partnership between the job placement center at Shawnee Community College (SCC), based in Ullin, Illinois, and the Illinois Department of Human Services (IDHS). SCC staff ran Future Steps under a contract with the IDHS. The program's staff included a part-time program director (who doubled as the SCC placement center director), a program coordinator, and five case managers (called "career specialists"), who were stationed in each of the five county-level IDHS offices.

Figure I.1. The Role of the Future Steps Program in Supporting Work and Economic Independence



Future Steps targeted both mandatory and voluntary participants. The program enrolled both TANF and food stamp clients who were required to work, as well as other low-income people who volunteered.² To be eligible, individuals had to be available and willing to work at least 30 hours per week. Most were referred to Future Steps by their IDHS caseworker, although some were referred by SCC or other organizations in the community. We estimate that between one-quarter and one-third of eligible Future Steps applicants were volunteers.³ For mandatory clients, TANF and food stamp benefits could be sanctioned if clients failed to cooperate with Future Steps requirements. In practice, over the course of the demonstration, Future Steps recommended to IDHS that about one-tenth of clients be sanctioned, typically because the client had repeatedly failed to communicate or participate in meetings with their Future Steps case manager.

The Future Steps service area covered five rural counties in the southern tip of Illinois (Figure I.2). Among the combined population of 64,000, most residents in the area are white, with a substantial minority—about 13 percent—African American. All five counties offer very limited public transportation and face economic challenges, including poverty rates above the statewide average (as high as 24 percent in one county). Entry-level jobs are most commonly with retailers, fast-food restaurants, and nursing homes. The area has a few larger employers, including chemical and cement factories, state prisons, and a riverboat casino. The Future Steps program and its clients and local context are described in greater detail in Chapter II.

EVALUATION DESIGN AND METHODS

The goals of the Rural WtW Strategies Demonstration Evaluation are to evaluate the effectiveness of promising welfare-to-work interventions in rural areas, provide recommendations for improving programs, and guide future policymaking and program development in rural areas. In particular, this evaluation of Future Steps aimed to answer three key research questions:

1. How was Future Steps implemented and operated, and what did it cost?
2. How effective was Future Steps at increasing employment and earnings, reducing welfare dependence, and improving other measures of well-being? Was the program more effective for certain subgroups of clients?
3. What are the implications and lessons for policy, programs, and evaluations?

² Clients were considered low-income if they lived in households with income under 200 percent of the federal poverty level.

³ It is not possible to identify more precisely the mandatory and voluntary participants, primarily because of changes in the food stamp participation requirements in southern Illinois midway through the demonstration.



Here, we describe the evaluation methods and data collection sources used to answer these questions.

Implementation and Cost Study

The implementation and cost study seeks to document the Future Steps program model and service delivery strategies, describe client experiences, assess program implementation, and, more generally, provide a context for interpreting the impact study findings. To explore these topics, we relied on both quantitative data from the Future Steps Information System (FSIS) and qualitative information collected through in-depth program site visits. In addition, a careful methodological approach was used to develop an estimate of the cost of

the program. These data sources and methods together provided a detailed picture of the management and operation of the program.

Service Use Data. Information on clients' program participation and service use comes from the FSIS, which we developed and maintained in collaboration with the program. The FSIS accommodates record-keeping tasks that staff members regularly perform, such as documenting the topics discussed in client meetings and the services provided to clients. The system also provides data on how frequently clients meet with staff, the intensity of staff/client interactions, the type and quantity of supportive service payments made, and basic indicators of employment experiences.

Site Visits and Focus Groups. A team of two researchers made two site visits to Future Steps, one in each of the two years of the demonstration period. These visits covered the entire five-county area and lasted four or five days each. Site visits included in-depth, semistructured interviews with staff from Future Steps, IDHS, and other local agencies; case reviews; and observations of program activities. We also conducted focus groups with program participants and members of the evaluation's control group to gather information on participants' program experiences, obstacles to employment, awareness of service availability, and perceptions of the program's helpfulness.

Cost Study Methods. We built up an estimate of the aggregate cost of operating Future Steps during a one-year, steady-state period by using information obtained through in-depth staff interviews during the site visits, along with program expenditure records. In developing the cost estimate, we followed the methodological approach articulated by Thompson (1998), which has been used successfully in other social service program settings (Perez-Johnson et al. 2002; Ohls and Rosenberg 1999). We measured the market value of all resources used to deliver services and operate the program during the cost period, including "off-budget" expenses that were donated, shared with other programs, or absorbed by an organization's general administrative structure. We also standardized our aggregate cost estimate by converting it into an average cost per participant. Chapter II provides additional detail on cost study methods.

Impact Study

We used an experimental design to determine the difference Future Steps made in employment rates, earnings, welfare receipt, and well-being. Using random assignment, 630 people eligible for scarce program slots were assigned to either the treatment group or a control group during an 18-month enrollment period. A balanced design was used, with the probability of selection to the treatment group essentially equal to 50 percent (313 were assigned to the treatment group and 317 to the control group). Treatment (or program) group members were enrolled into Future Steps and offered program services (generally on the same day or within a day or two of random assignment), while control group members were not offered program services (although they had full access to all other available services). Participation in the program was nearly universal; 93 percent of program group members participated in or received at least one activity or service, and all but one had some type of verbal contact with program staff.

The random assignment process was implemented correctly. The baseline characteristics of the two groups were very similar, and there were no systematic, significant differences between them. (Chapter II displays these characteristics.) In addition, careful monitoring of program enrollment throughout the demonstration ensured that no members of the control group enrolled in the program.

Data Sources and Methods. We relied on three methods and sources to collect data for the study of program impacts:

1. ***Baseline Information Form.*** We collected baseline demographic and socioeconomic data on all sample members just before random assignment using information forms developed for the evaluation and completed by sample members.
2. ***Follow-Up Survey 18 Months After Random Assignment.***⁴ We conducted a 45-minute follow-up telephone survey with sample members 18 months after they were randomly assigned. We achieved a response rate of 83 percent (520 completes out of 630 sample members) using telephone interviewing methods, along with intensive field followup. The data collected from the survey were weighted to account for nonresponse. Appendix A contains a full discussion of survey data collection and weighting methods.
3. ***Administrative Records from the State of Illinois.*** We obtained state-level administrative records data on all sample members for reported quarterly employment and earnings and monthly TANF and food stamp receipt. Data were obtained for the full 18-month period after random assignment.

Outcome Measures. The analysis assessed the effects of Future Steps on outcomes related to labor market success, dependence on public assistance, family well-being and poverty status, and individual and family functioning. The primary data source for the impact analysis was the 18-month survey, which provided a more detailed set of data than the administrative records, including variables on the characteristics of jobs held, income sources, and family income. We measured outcomes at specific points in time, as well as continuously. Point-in-time measures included such items as job characteristics, income, and living arrangements, while continuous measures included such items as the duration of employment and welfare receipt. Depending on the data source, period-specific measures were defined for each month or quarter, as well as for aggregated periods (such as the full 18-month follow-up period).

⁴ Evaluation plans also include a 30-month follow-up survey. We plan to report on findings based on the Illinois 30-month survey data in fall 2006.

Analytic Methods. Since random assignment was used to create the program and control groups, we can attribute the subsequent differences in the groups' outcomes to the incremental services the program offered. We estimated impacts by comparing mean outcomes for the program and control groups 18 months after random assignment. The differences between the mean outcomes represent unbiased estimates of the average effects of Future Steps.

To improve the precision of the impact estimates, we used multivariate regression methods. We controlled for relevant demographic and socioeconomic variables collected at baseline, as well as two key contextual variables (clients' county of residence and year of program enrollment) that we identified through the implementation study as factors that may have influenced the key outcomes.⁵ We estimate that the variance of the impact estimates was reduced by 15 percent as a result of using multivariate modeling. Using similar methods, we also examined program impacts for key subgroups. Baseline characteristics were used to define key subgroups.

We identified program impacts if treatment group outcomes differed from control group outcomes by a margin that was statistically significant using a one-tailed test at the 95 percent confidence level. Power calculations indicated that, to detect significant impacts using our survey sample, we needed to observe monthly earnings differences of about \$100, TANF benefit differences of \$35, and employment and welfare impacts of 8 to 10 percentage points.⁶ If the program had effects of these magnitudes, we had an 80 percent chance of detecting them.

⁵ Chapter II, Table II.1, shows the baseline demographic and socioeconomic characteristics that were used as control variables in our regression-adjusted models. The use of multivariate regression models adjusts for any random residual differences in the observable baseline characteristics of the program and control group members. We generally used ordinary least squares estimation techniques for continuous variables and logistic regression methods for binary outcomes. We also examined the sensitivity of the impact estimates and found that they were largely insensitive to alternative model specifications. For example, we ran Tobit regression models for key continuous outcome variables (such as earnings and TANF amounts) and found that the results were similar to the results found using ordinary least squares estimation techniques.

⁶ Minimum detectable differences were somewhat smaller when administrative records data were used, since administrative data for all 630 sample members were available. The evaluation was able to detect quarterly earnings differences of \$275, monthly TANF benefit differences of \$31, and employment and welfare impacts of seven to nine percentage points based on the administrative data.

CHAPTER II

IMPLEMENTING FUTURE STEPS

To put the impact findings into context and to identify operational challenges that may be unique to a rural context, it is important to understand the implementation of Future Steps. Our implementation study suggests that Future Steps was implemented largely, but not entirely, as planned. Many clients received services at a substantial level of intensity and over an extended period, though some had relatively little contact with career specialists and received few services. During the demonstration's second year, the implementation of Future Steps weakened somewhat because of staff turnover and budget pressures in the organizations operating the program.

In studying the implementation of Future Steps, we focused on several issues: (1) how Future Steps was developed and how closely its operation conformed to its program model; (2) the program's setting, in terms of economic conditions, service availability, and client characteristics; (3) clients' experiences as they participated in the program; and (4) the total costs of program operation. In this chapter, we first describe the development, service delivery, and target population of Future Steps, as well as the local economic and policy environment. We then highlight key findings regarding program operation, participant experiences, and program costs.

PROGRAM DEVELOPMENT, STAFFING, AND SERVICE DELIVERY

Future Steps aimed to provide focused, personalized assistance to promote employment for low-income clients. The Future Steps program model featured services intended to identify clients' skills, remove barriers to work, match clients to job opportunities, and support clients after they became employed. In this section, we describe the implementation of this model, including its development, staffing, and service delivery process. (See text box for a summary of the key program elements.)

KEY FEATURES OF THE FUTURE STEPS PROGRAM

- ***Program Model.*** Employment-focused case management, including job search and job placement assistance, referrals for services and training, up to \$500 in flexible supportive service payments, mentoring, and postemployment support
 - ***Duration of Program Enrollment.*** Average length of enrollment nearly 16 months. Clients generally received a high level of support until they found a job and were employed for three months. After that, they accessed services as needed.
 - ***Target Population.*** Mandatory TANF and food stamp recipients, as well as low-income volunteers. An estimated one-quarter to one-third were volunteers. All eligible applicants had to be available and willing to work at least 30 hours per week. For mandatory clients, TANF and food stamp benefits could be sanctioned if clients did not cooperate with the program.
 - ***Partner Organizations and Service Area.*** Illinois Department of Human Services and Shawnee Community College operated the program in five rural counties in the southern tip of Illinois.
 - ***Staffing.*** Shawnee Community College placement center director, program coordinator, and three to five career specialists. Career specialists were co-located in local public assistance offices.
 - ***Caseload Size.*** 15 to 35 active clients, plus approximately 10 to 15 transitional clients per career specialist.
- ***Future Steps developed and operated through a productive collaboration between a state welfare agency—the Illinois Department of Human Services (IDHS), and an educational institution—Shawnee Community College (SCC).***

Future Steps emerged from an existing partnership between SCC and IDHS. The two organizations had collaborated previously on Advancing Opportunities, an employment program operating at community colleges throughout Illinois. Advancing Opportunities aimed to prepare participants to enter the workforce through training and supportive services. In designing Future Steps, SCC and IDHS modified the Advancing Opportunities model to reflect lessons learned from that program and make the new program suitable for other sources of support, such as federal Welfare-to-Work funding. Compared to Advancing Opportunities, Future Steps placed more emphasis on rapid employment and

served a broader range of clients, including low-income people who were not current or former recipients of Temporary Assistance for Needy Families (TANF). Future Steps also established a more modest upper limit for supportive service payments (\$500, rather than \$1,200) but provided greater flexibility in how these funds were used and allowed staff discretion to exceed the \$500 “soft cap” on payments to individual clients, as appropriate. According to Future Steps staff, these changes helped address the varied needs of their clients.

The SCC placement center, which provides job search resources to students and the wider community, operated Future Steps under contract to IDHS. In its day-to-day operation, Future Steps required ongoing coordination between SCC staff and regional and local IDHS staff. Future Steps staff providing direct services worked in IDHS county offices to facilitate their access to clients and IDHS staff. IDHS caseworkers identified clients suitable for Future Steps and worked with MPR to conduct random assignment for the evaluation. Future Steps staff regularly updated IDHS caseworkers and local office administrators on the employment and participation status of clients in the program. Occasionally, staff from Future Steps and IDHS coordinated the delivery of services for clients with particularly challenging problems.

- ***Program staff included several career specialists, who provided direct services, a part-time program director, and a full-time program coordinator.***

Future Steps career specialists (case managers) were based in IDHS offices in each of the five program counties and provided direct services to Future Steps clients. Most career specialists were part-time employees. However, the specialist working in Alexander County, who carried a larger caseload than the others, worked full-time. According to program administrators, key qualifications for the position included a basic understanding of IDHS services, strong interpersonal and communication skills, familiarity with the communities in which they worked, and the attention to detail needed for such tasks as completing case notes. Experience with IDHS programs was also considered helpful, and some career specialists were themselves former recipients of cash assistance. A college education was not a requirement for the position, but some specialists did have bachelor’s degrees, and others had taken college courses.

Workers considered to be particularly strong performers were resourceful, self-directed, highly organized, and assertive in dealing with clients and IDHS administrators. In general, the more competent Future Steps workers appeared to be those who could act as advocates for their clients with employers or IDHS, while holding clients accountable for working toward their goals.

Future Steps management staff initially consisted of the director of the SCC placement center and a program coordinator. (Staff turnover during the evaluation period led to changes in the administrative structure, as described in the section on Future Steps implementation.) The placement center director, who had been involved in designing Future Steps, provided overall leadership for the program, dedicating more than half of her time to Future Steps. Future Steps seemed to benefit in its early phases from her clear vision

and community connections. The director and the program coordinator shared responsibility for establishing policy and procedures for Future Steps and for supervising other program staff members. The coordinator also was a central point of contact for the career specialists, answering questions from staff in the field by email and telephone.

Initial training for career specialists consisted of a daylong session to review policy and procedures. This was followed by on-site supervision from a fellow staff member during the new specialist's first week or two. Day-to-day, the program coordinator stayed in regular contact with career specialists to provide guidance on specific program issues (for example, whether a requested supportive service payment should be approved). Future Steps workers also received coaching on strategies for fulfilling such responsibilities as locating clients, accessing community resources, and advocating assertively for clients. Career specialists did not receive formal evaluations, but the placement center director and program coordinator did observe and discuss each worker's performance and provide periodic feedback.

- ***Future Steps services centered on intensive, employment-focused case management intended to prepare participants for work and help them find and keep good jobs.***

The Future Steps design envisioned core services intended to help clients secure and maintain employment. These services included (1) an initial assessment of skills and interests; (2) individualized job search, job assistance, and skills enhancement plans; (3) help in overcoming personal and logistical barriers to employment through outside referrals, supportive service payments, and mentoring; (4) postemployment support; and (5) vocational training tailored to local employers' needs. (As discussed later, in the section on program implementation findings, the plan for using vocational training was not realized.)

Clients referred to Future Steps by IDHS were assessed and quickly directed into activities intended to help them prepare for and find work. At initial meetings with a client, Future Steps career specialists used standardized career assessment tools and checklists of skills and barriers to gather details about the client's employment history, job skills, and potential barriers to employment. After they got to know a client better, career specialists engaged in case management activities, including job search assistance, making referrals to other service providers, disbursing supportive service payments, offering mentoring and counseling, and providing postemployment support. These activities are described below.

Job Search and Job Placement Assistance. Future Steps workers assisted clients in their job searches by helping them specify tasks that could lead to employment, monitoring their progress in completing these tasks, sharing information about available jobs, and contacting potential employers on clients' behalf. At each meeting, the Future Steps worker and the client used an activity sheet to note tasks that should be completed, such as submitting an application to a specific employer or writing a resume. In a typical week, the client was expected to complete five tasks. To identify job opportunities, the career specialists used listings from the SCC placement center and local newspapers. Future Steps workers also carried out additional, community-specific job placement and job development efforts. To varying degrees, workers relied on personal relationships with business owners

to get information about available positions, cultivated new relationships with local businesses, or made cold calls to potential employers.

Particularly capable Future Steps staff also advocated for clients by providing references to potential employers and aggressively marketing clients as good candidates for available positions. Career specialists would sometimes contact potential employers before a client submitted an application to verify the availability of the position and let the employer know to expect the client. On occasion, a Future Steps worker would drive a client to a potential employer for an application or interview.

Referrals for Services and Training. Career specialists referred clients to local service providers for training, counseling, child care, and other services, as needed. The frequency and type of referral varied among staff members, as some cultivated close working relationships with particular service providers in their communities.

Supportive Service Payments. Future Steps staff used supportive service payments to help meet clients' employment-related and personal expenses. Typical uses included payments for commuting, training, child care supplies, job-specific equipment and clothing, and housing and utility bills. The flexibility of supportive service payments allowed staff members to approve purchases of items as varied as a baby stroller, an electronic dictionary (for a client with low literacy skills), and "stopgap" child care. One Future Steps worker's close connections with a local used car dealer helped her find dependable cars for clients, with loan arrangements that made the vehicles affordable.

Supportive service payments were typically limited to a total of \$500 per client, with exceptions made in some cases. For TANF clients, an additional \$1,200 was available from IDHS, but these funds came with many restrictions (for example, the money could be used to pay for car repairs or fuel but not to purchase a vehicle). To maximize the resources clients could access, Future Steps workers sometimes supplemented IDHS payments with Future Steps funds.

Mentoring. Future Steps staff offered clients mentoring and informal counseling intended to help improve their work readiness and life skills. Staff discussed a wide range of topics with individual clients as needed. These topics included transportation, family circumstances, appropriate workplace behavior, housing, and child care. Sometimes, quite practical issues were addressed. For example, one career specialist helped several of her clients budget for household expenses and taught them how to plan and shop for affordable home-cooked meals. Mentoring by Future Steps staff also offered an opportunity to encourage clients and improve their self-esteem, possibly enhancing their ability to find and keep employment.

Postemployment Support. After a client secured a job, Future Steps staff members were expected to contact the client or employer at least every two weeks for three months. The purpose of these contacts was to check on the client's adjustment to the new position and, as needed, to offer help mediating any miscommunications or differences between the client and employer. On-site visits to employers were expected within 30 days after a client began work. In practice, the frequency of on-site visits varied among the Future Steps staff.

One staff member reported making two in-person job site visits per month for each of her employed clients, while others made site visits only for their more difficult clients.

Although mediation between clients and employers did not occur frequently, it could be essential for helping clients retain their jobs when problems arose. For example, Future Steps workers described several cases when mediation was used: (1) to address an accusation that a client had stolen from a customer while on the job, (2) to resolve child care issues, and (3) to discuss a drop in a client's productivity.

Future Steps clients could come back to the program if, for example, they became unemployed and needed help finding a new job. Clients' relatively long participation in the program—nearly 16 months, on average—reflected this extended support. Ongoing support for job advancement was also available to Future Steps clients, but staff members provided this kind of assistance to a minority of clients (as described in the section on clients' program experiences).

THE FUTURE STEPS TARGET POPULATION

The Future Steps target population consisted of three main groups: (1) people on TANF who were required to work as a condition of receiving assistance, (2) "able-bodied" food stamp recipients who were required to work as a condition of receiving assistance, and (3) low-income volunteers.¹ The volunteer group could include people on TANF or food stamps who were not required to work, or those who received other types of support from IDHS, such as medical assistance. Volunteers also could include people not participating in any IDHS program but who lived in low-income households (under 200 percent of federal poverty guidelines). All clients had to be available and willing to work at least 30 hours per week to be eligible for Future Steps.

Future Steps enrolled participants from all five counties in its service area. According to program records, most participants lived in Alexander or Pulaski Counties (33 and 27 percent, respectively). These two counties had smaller populations than the other three, but they were also economically worse off (as described in the section on the program's context). Eighteen percent of participants lived in Union County, 14 percent in Massac, and 9 percent in Johnson.

Information from baseline forms indicates that most members of the target population were female (76 percent) and that most were between ages 20 and 39 (77 percent) (Table

¹ When the demonstration program began, able-bodied food stamp recipients were not required to participate in Future Steps. Midway through the demonstration, however, able-bodied food stamp recipients became part of the mandatory Future Steps population. Although it is not possible to know precisely what fraction of the Future Steps population were volunteers, we can estimate, based on enrollment data, that volunteers made up between one-quarter and one-third of eligible Future Steps applicants.

II.1).² Most sample members also had children in their households (71 percent). Men without children (15 percent, not shown in table) made up a substantial minority of the Future Steps sample. Caucasians and African Americans made up about equal proportions of the sample group. We highlight other key characteristics of the sample below.

- ***A small minority of sample members were receiving cash assistance at the time of referral to the program, although program designers had planned for TANF recipients to be a substantial share of the Future Steps target population. Receipt of food stamps was common.***

Current TANF recipients made up a small share of people referred to Future Steps—just over 15 percent—despite the program’s original focus on this population. The low enrollment of people receiving cash assistance is consistent with the low number of TANF cases in the Future Steps service area (between 19 and 151 cases in each county at the outset of the demonstration). Nevertheless, it was anticipated that TANF recipients would make up a larger segment of Future Steps participants. On the other hand, most people referred to the program were on some type of public assistance. Specifically, more than three-quarters of the sample population were receiving food stamps at the time of their referral (in addition to TANF for some sample members). Many of the food stamp recipients were considered “able-bodied” and were required to work to continue their eligibility for benefits.

While current TANF recipients were a minority of the population referred to Future Steps, most people in the sample—56 percent—had at least some history of receiving cash assistance. Nearly one-quarter (23 percent) of those referred were longer-term welfare recipients, on TANF or AFDC for more than two years.

Sample members also generally reported low earnings from jobs in the year before their referral to Future Steps. More than 20 percent reported no earnings at all, and an additional 45 percent reported that they had earnings under \$5,000. Just over two percent of the sample population had earned more than \$20,000 in the previous year.

² Although we focus our discussion in this section on baseline characteristics of the full Future Steps research sample, this table also highlights characteristics for program and control group members separately. The characteristics of the two groups were similar, and there were no systematic, significant differences between them. The significant differences present between the two groups are within the range of expected variation for a randomly selected sample. Moreover, as discussed in Chapter I, in the impact analyses, we controlled for baseline differences in the characteristics of the two groups using multivariate regression methods.

Table II.1. Characteristics of the Future Steps Sample Population at Baseline (Percentages)

	Program Group	Control Group	All Sample Members
Age			
Younger than 20	7.0	6.9	7.0
20 to 29	47.6	46.1	46.8
30 to 39	30.4	29.3	29.8
40 or Older	15.0	17.7	16.3
Average Age (Years)	30.1	30.3	30.2
Gender			
Female	75.7	77.6	76.7
Male	24.3	22.4	23.3
Race/Ethnicity			
Hispanic	3.9	3.0	3.4
White, Non-Hispanic	47.2	44.1	45.7
Black, Non-Hispanic	47.6	51.6	49.6
Other Race/Ethnicity	1.3	1.3	1.3
Language			
Primary Language Is English	99.4	100.0	99.7
Transportation			
Has a Valid Driver's License	73.8	70.7	72.2
Owens or Has Access to a Working Vehicle	69.0	65.1	67.0
Education			
No High School Diploma or GED	29.5	23.7	26.6
High School Diploma or GED	44.0	41.9	42.9
More than High School Diploma or GED	26.5	34.4**	30.5
Employment History			
Ever Worked for Pay	98.4	96.8	97.6
Currently Working for Pay	19.9	16.1	18.0
Worked During Past Two Years	92.6	90.2	91.4
Earnings in Prior Year			
None	20.8	20.6	20.7
\$1 to Under \$5,000	44.8	45.1	44.9
\$5,000 to Under \$10,000	21.4	21.0	21.2
\$10,000 to Under \$20,000	10.7	10.8	10.8
\$20,000 or More	2.3	2.5	2.4

Table II.1 (continued)

	Program Group	Control Group	All Sample Members
Never Received TANF or AFDC	45.6	42.3	43.9
Received TANF or AFDC 1 to 12 Months	27.0	22.4	24.7
Received TANF or AFDC 13 to 24 Months	9.1	8.0	8.6
Received TANF or AFDC 25 to 60 Months	7.8	12.8**	10.3
Received TANF or AFDC More than 60 Months	10.4	14.4	12.4
Current Public Assistance			
Currently Receiving TANF or AFDC	15.6	15.0	15.3
Currently Receiving Food Stamps	79.9	76.8	78.3
Currently Receiving General Assistance	1.6	1.9	1.8
Currently Receiving Housing Subsidy	3.2	6.4*	4.8
Currently Receiving SSI or SSDI	5.5	8.6	7.1
Household Characteristics			
Average Household Size (Number of People)	3.1	3.2	3.1
Child Under 18 in Household	70.8	71.5	71.2
Average Number of Children in Household	1.4	1.5	1.5
Average Age of Youngest Child (Years)	4.9	5.1	5.0
Youngest Child Less than 3 Years Old	31.2	27.1	29.1
Household Composition			
Single-Adult Household	56.2	56.3	56.2
Married or Partner Household	16.6	19.0	17.8
Other Multiple-Adult Household	27.3	24.8	26.0
Health			
Own or Other's Condition Limits Activities	18.3	23.1	20.7
Sample Size	313	317	630

Source: Rural Welfare-to-Work baseline information forms, compiled by Mathematica Policy Research, Inc.

*/**/*** Significantly different from zero at the .10/.05/.01 level, two-tailed test.

- ***Some characteristics of the sample population, including prior work experience and education, suggest that many people referred to Future Steps were “work ready.”***

Much of the population referred to Future Steps appeared to have the experience and education needed to secure basic employment. Nearly all members of the sample group had an employment history. Ninety-eight percent of the sample population had worked for pay in the past, and more than 90 percent had done so within the past two years. Not surprisingly, only a small fraction (about one-fifth) were working for pay at the time of their referral to Future Steps. About three-quarters (73 percent) of the sample had at least a high school diploma or GED, and nearly a third (31 percent) had education beyond high school.

- ***Many sample members also faced potential obstacles to work, including responsibility for young children or a health problem or disability.***

Single parents made up a large portion of the sample population, so many people referred to Future Steps probably needed access to reliable child care to secure a job and stay employed. More than half of the sample members were single parents, and nearly 30 percent had a child younger than age 3. The average age of sample members' children was 5.

A substantial minority of the sample population—more than 20 percent—reported that they or another member of their household had a health problem that limited their ability to work, attend training, or go to school. These problems included a medical issue or physical disability, emotional or mental health conditions, and substance abuse.

- ***At least one-third of the sample faced barriers related to transportation.***

Lack of reliable transportation was a potential impediment to employment for a sizable minority of the Future Steps population. As described in the next section, the public transportation infrastructure was extremely limited in the Future Steps service area. Program participants who had to commute to work would typically need access to a car or a reliable ride with friends or relatives. On baseline forms, however, almost 30 percent of the sample reported that they did not have a valid driver's license, and 33 percent did not own a car or have daily use of a car.

SOUTHERN ILLINOIS: THE ECONOMIC, POLICY, AND SERVICE CONTEXT

The rural context of Future Steps shaped the economic opportunities and resources available to sample members. While economic conditions in the Future Steps service area were generally weak, local residents could draw on personal networks and a limited number of social service providers for assistance when necessary. In this section, we describe the economic, policy, and service environment in which Future Steps operated.

- ***All five counties in the Future Steps service area faced significant economic challenges, including high poverty and a limited economic base.***

Economic data highlight the generally weak conditions in the area served by Future Steps (Table II.2). County-level poverty rates ranged from 13.3 to 23.6 percent in 2001 (the beginning of the evaluation period). These rates all exceeded the statewide figure of 10.1 percent. Median household income in the target counties was \$25,231 to \$33,489, well below the statewide median of \$46,991. The counties' unemployment rates presented a more mixed picture. Unemployment in Johnson, Massac, and Union counties was near the statewide average of 5.4 percent, but rates in Alexander and Pulaski counties (8.3 and 7.9 percent, respectively) were much higher.

Table II.2. Key Economic Indicators for Counties in the Future Steps Service Area (2001 Figures)

Area	Poverty Rate (Percentages)	Unemployment Rate (Percentages)	Median Household Income (Dollars)
Alexander County	23.6	8.3	25,231
Johnson County	14.4	5.8	33,489
Massac County	13.3	5.4	32,462
Pulaski County	20.9	7.9	25,317
Union County	13.4	6.0	31,805
State of Illinois	10.1	5.4	46,991

Sources: U.S. Census Bureau, U.S. Department of Labor.

The local economy slowed in the second half of the demonstration. Statewide unemployment had risen to 6.7 percent by 2003, and unemployment rates in four of the five counties served by Future Steps showed similar increases. (The exception was Massac County, whose economy remained relatively strong.) Future Steps and IDHS staff reported that fewer entry-level jobs were available in the local area and that some clients had to travel further to take advantage of job opportunities.

Economic resources differed to some extent within the Future Steps service area. Massac and Union counties were moderately prosperous, compared to the other three. A riverboat casino in Massac County, for example, provided tax revenue and promoted additional businesses, such as restaurants and hotels. Manufacturing jobs at chemical and cement factories were also available in the area. Union County benefited from tourism and was home to companies that produced baked goods and shoes. In contrast, Alexander, Johnson, and Pulaski counties had few large employers, and even small businesses were scarce in some cities in these counties. Johnson County, with the smallest population of the five, had an especially limited economic base, centering on three state prisons.

Entry-level employment opportunities in the area commonly included jobs at local nursing homes, housekeeping and other service work, and cashier or warehouse positions at large retailers. A temporary agency serving companies in nearby Cape Girardeau, Missouri, also employed some residents of the area. According to Future Steps and IDHS staff, many available jobs for entry-level workers were part-time (less than 28 hours per week).

- ***The Illinois TANF program emphasizes clients' rapid attachment to work.***

Illinois TANF policies during the evaluation period reflected a “work first” philosophy. People not covered under the program’s few exemptions were required to engage in work activities for 30 hours per week (35 hours for two-parent households), and a 30-day job search and waiting period was enforced before TANF applications could be approved. At the discretion of local office administrators, a small number of clients could participate in education and training activities to meet part of their work requirement.

The state’s TANF program also provided positive incentives for paid employment. A generous earned income disregard and transitional eligibility for medical coverage and child care helped make employment financially advantageous for clients. In addition, months in which clients fulfilled their work requirements through paid employment did not count toward the 60-month lifetime limit for cash assistance. (Clients were shifted to state-funded assistance during these months.)

- ***The TANF caseload declined substantially in the Future Steps service area after welfare reform but began to rise again during the demonstration period. Throughout the period, individual IDHS workers maintained large caseloads.***

As in many other states, the TANF caseload in Illinois declined sharply after welfare reform. Caseloads in the counties Future Steps served initially followed this downward trend. IDHS administrators reported a rise in the number of TANF cases in the second half of the demonstration period, however. This increase in the TANF caseload coincided with an economic downturn. The fraction of Future Steps sample members on TANF at the end of the 18-month follow-up period did not increase, however.

Individual counties in the Future Steps service area had a relatively small number of TANF cases at the beginning of the demonstration, but caseloads of IDHS workers often were large. Many IDHS workers handled caseloads that included recipients of other types of assistance, such as food stamps, and individual staff members were responsible for as many as 400 clients. This made it difficult for IDHS workers to provide individualized services, as they spent much of their time determining or recertifying eligibility, updating client records, and responding to client inquiries. In the second year of the demonstration, caseload sizes for IDHS line staff increased by 30 to 40 percent as overall TANF participation increased and after agency budget cuts resulted in a reduction of the number of caseworkers in the five-county area.

While IDHS workers were limited in their ability to provide individualized services, members of the evaluation's control group did have access to various forms of employment assistance through the agency. IDHS made listings of job openings available to clients and offered job readiness and job search workshops (including resume-writing assistance).

- ***Almost all sample members noted that they had community connections and could get help from friends, family members, and neighbors if necessary. Most indicated that community-based social service agencies existed in their home areas.***

Survey data indicate that people in the evaluation's sample group felt familiar with, and connected to, their local area.³ For example, control group members tended to be longtime residents (about 14 years, on average), and a large majority (73 percent) felt "very connected" or "fairly connected" to their communities (not shown). Members of the evaluation sample also felt they could access different types of support if needed. Almost all control group members reported that they had family, friends, or neighbors they could turn to for help with such needs as transportation, shelter, meals, or child care, and more than three-quarters said that they had received some type of help from family or friends during the 18-month follow-up period (Table II.3). More than 90 percent said that a community organization providing such services as a food pantry, crisis hotline, thrift store, or family assistance was available in their area, and more than 60 percent had accessed these services at some point during the follow-up period.

Even with support available from family, friends, and community-based organizations, life in the five Future Steps counties posed challenges for some people. In focus groups, members of the evaluation's sample group shared observations regarding such issues as limited transportation and the tight social networks that can shape employment opportunities (see text box).

- ***In addition to IDHS, nonprofit and government organizations provided social services and employment assistance in the five-county region, but significant service gaps remained, particularly in the area of transportation.***

Education, health, and workforce development organizations offered assistance to people living in the Future Steps service area. Such services were available to all members of the evaluation's sample group, both program and control. SCC was a primary provider of education and workforce development services in the region. In addition to associate's degree programs, the college made available such services as professional development

³ Survey data were collected 18 months after random assignment. Hence, the outcomes collected through the survey could have been influenced by the program. However, we present these survey data here only to illustrate the program's context. Given the timing of the survey data collection, we focus on the control group data, although no systematic differences were found between program and control group members in their community connections and access to, and use of, support networks.

Table II.3. Access to, and Use of, Support Networks Among Sample Members

Characteristic	Program Group	Control Group
Has Access to Help from Family, Friends, or Neighbors (if Needed)		
With transportation	90	91
With lodging	91	89
With food	92	92
With money	78	82
With child care	83	84
With any of the above	97	96
Received Help from Family, Friends, or Neighbors in the Past 18 Months	76	77
Availability of Community Organizations in the Sample Member's Home Area		
Food pantry or soup kitchen	76	80
Crisis hotline or walk-in center	52	59
Thrift, Goodwill, or Salvation Army Store	64	72
Church or family service organization	78	80
Any of the above	93	93
Used Services of a Community Organization in the Past 18 Months	63	62
Sample Size	252	268

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

*/**/** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

seminars and training for small businesses. Training services were also available through the Regional Office of Education, a state agency, which offered certificate courses for nursing assistants, GED classes, and literacy tutoring. The Shawnee Development Council, a nonprofit community action agency and Workforce Investment Act contractor, operated a One-Stop Center in Cairo, offering services for adult, youth, and dislocated jobseekers.

Physical and mental health care services were available through community-based organizations, hospitals, and government agencies. The Southern Seven Health Department/Head Start, for example, was a key provider of public health services to low-income residents of the five-county region. Several community and regional hospitals provided inpatient care, and mental health and substance abuse counseling were available through small nonprofits. People who were disabled could receive help securing employment through the IDHS Office of Rehabilitation Services, which provided diagnostic assessments, physical rehabilitation, workplace accommodations, provision of equipment, and on-the-job coaching.

Despite the efforts of the organizations and agencies mentioned above, significant service gaps remained in the region. For example, a substantial proportion of the sample population had circumstances that suggested a need for public transportation. On the 18-month follow-up survey, less than half of control group members reported that they were

LIFE IN A RURAL AREA: TRANSPORTATION CHALLENGES AND TIGHT-KNIT COMMUNITIES

In focus groups, members of the evaluation's sample group offered insights on the disadvantages and advantages of living in a rural area. Conditions such as limited transportation and tight-knit social networks had practical effects on the day-to-day lives of these residents of southern Illinois.

Some focus group participants described just how difficult life could be without adequate transportation. "There [are] no jobs here in Illinois," one participant commented. "Everybody here in Illinois has to travel so far, as far as Kentucky, to find a job. And not everyone has the transportation. And that's hard." According to another participant, "If you don't have no transportation and don't have no baby-sitter, you don't get no job. Because those are the main things you got to have." Some people were kept from school. "I wanted to go to Shawnee Community College but I don't have a car yet," one participant said. "I got to get my license. I ain't got no transportation from here to Shawnee." Others were kept from work: "It's not like I don't want to work. I really do want to work, but there's nowhere close around to go to work. If you don't have any transportation in southern Illinois, you can't even get to the grocery store in your town."

For some residents of tight-knit rural communities, social networks were important in their efforts to find employment. Finding and keeping a job sometimes required the support of family and friends helping with child care, transportation, and job searches. "I got lucky because my little brothers and sisters helped me watch my baby," one participant commented. "My momma helped me. But some people don't have that help." When asked how they obtained their jobs, several focus group members attributed it to family or people they knew in the community. "My daughter got the job for me," a participant explained. "She put my name in and they called me the next day and [I] went to work that night."

Those without this community support saw the downside to tight-knit communities. New residents felt isolated in their job search without personal connections to aid them. One such newcomer felt that "if you're from out of the area and you move into an area like this, you're an outcast. They don't want to hire you because it's not the way; it's too old-fashioned. To me, smaller communities ... hire from within." Another concurred, saying, "Everything around here is family-oriented. They keep the money amongst themselves. If you know the right person, you can get hired in."

always able to travel to a needed place (Table II.4).⁴ In addition, when asked about commuting to an area with better jobs, control group members reported, on average, that such a commute would take about 45 minutes (one way), and over two-fifths indicated that such a hypothetical commute would be difficult, typically because of a lack of transportation or driver's license. At the time of the follow-up survey, working control group member commuted 26 minutes, on average, to their jobs (Appendix C, Table C.5). A local economic development group hoped to create a regional public transportation infrastructure in southern Illinois. This effort was at an early stage, however, and public transportation options were extremely limited or nonexistent in most parts of the five-county region. Other service shortages related to adequate low-income housing and dependable, accessible child care.

Table II.4. Transportation Access and Issues

Characteristic	Program Group	Control Group
How Frequently Sample Member Is Able to Travel to Needed Places		
Almost always	50	46
Often	21	25
Sometimes	20	24
Hardly ever or never	9	6
Average Travel Time from Home to Key Places (One-Way, by Car) (Minutes)		
To Public Assistance Office	12.6	12.4
To supermarket	19.2	19.4
Hypothetical Commute to Area with Better Jobs (Average Estimated Time of Hypothetical One-Way Commute to Area with Better Jobs, in Minutes)	48	45
Sample Member Believes That (S)he Would:		
Need to travel to another area to get a good job or better job	89	91
Face difficulty commuting to another area with better jobs	47	43
Sample Size	252	268

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

*/**/*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

⁴ For the same reasons stated in footnote 3, we present control group data here. No significant differences were found between the program and control groups in these transportation data.

KEY FINDINGS ON FUTURE STEPS IMPLEMENTATION

Implementing a welfare-to-work program in a rural context poses challenges related to covering a large, dispersed service area, recruiting and supporting qualified staff, and maintaining a commitment to a new program in an environment of limited resources and competing priorities. In this section, we highlight both successes and challenges in the implementation of Future Steps.

- ***A strong collaboration between IDHS and SCC helped smooth the initial stages of Future Steps, but later organizational budget pressures weakened program operation.***

Administrators at SCC and IDHS perceived the partnership between the two organizations to be strong. The partners' history of collaboration on Advancing Opportunities provided a solid foundation for implementing a new program. Moreover, some former Advancing Opportunities staff members, including the program director, took on similar roles in Future Steps. Existing personal relationships between administrators at SCC and IDHS and co-location of staff also helped facilitate communication about expectations for referrals and service delivery to enrolled clients.

Channeling Future Steps services through SCC produced several advantages for the program. The positive reputation of the community college helped reduce the stigma clients might experience as participants in a welfare-to-work program. According to program staff, employers also were more likely to respond to inquiries from Future Steps when they were told of the program's affiliation with the community college. The resources of the community college's placement center benefited the program as well. Future Steps career specialists had easy access to the extensive job listings that the placement center maintained, along with such additional career resources as assessment tools, resume-writing assistance, and career-planning guides.

Both IDHS and SCC faced financial pressures in the second year of the demonstration. IDHS responded to budget cuts by reducing frontline staff (and increasing individual caseloads) in local offices. SCC administrators were similarly concerned about the college's budget. This issue may have diverted administrators' focus on Future Steps and indirectly affected program expenditures—for example, not all available funds for supportive services were used during the program. The different organizational missions of IDHS and SCC may also have affected the implementation of Future Steps in its second year. Although IDHS and SCC had a history of collaboration, TANF and food stamp recipients were not the college's core constituency. In a context of limited resources, SCC may not have prioritized operating Future Steps at a consistently high level. In the second year of the program, for example, the director's time commitment to Future Steps fell, and the number of career specialists shrank from five to three.

- ***The core program model was implemented largely as intended, and Future Steps appeared to offer substantially more individualized support to clients than was available otherwise.***

In general, Future Steps staff successfully provided the core services of the program model—assessment, job search assistance and followup, and help overcoming barriers to employment. (Data from the Future Steps Information System [FSIS], described in the section on client experiences, offer details on the type and frequency of services delivered.) After an expansion in the target population to include food stamp recipients and low-income volunteers, the program also enrolled as many clients as planned—a total of 313 during its two years of operation, exceeding the enrollment goal of 300.

Future Steps appeared to offer more tailored and intensive services for low-income people than other providers in the area. In part, this was a result of the small caseloads carried by Future Steps career specialists—approximately 15 to 35 active clients, compared to the caseloads of 200 to 400 for IDHS workers. (Future Steps caseloads also included “transitional” clients who had secured and retained employment and no longer needed intensive services. These clients represented additional cases totaling up to 50 percent of the active caseload.) Future Steps workers also individualized services through judicious use of supportive service dollars, mentoring, and referral to suitable job opportunities. In focus groups, clients offered examples of the assistance they received to address individual obstacles, including money for clothing, gas, car repairs and insurance, and educational testing fees.

- ***Program leaders worked creatively to oversee staff across a dispersed service area, but they found it challenging to manage staff with varied skill levels.***

To provide services over a large area, Future Steps career specialists worked in separate locations from the program director and coordinator. Program leaders worked creatively to monitor and support staff from a distance, communicating frequently by email and telephone and reviewing case notes entered into the FSIS.

Future Steps career specialists varied in their skill levels, however, and program administrators sometimes were challenged to ensure that high-quality services were provided consistently. For example, some staff members were more assertive than others in advocating for clients, developing employment opportunities, and leveraging available community resources. Career specialists also differed in their familiarity with the communities they served. Those who had lived in the local area for some time and maintained wide personal networks often were able to use these connections to their clients’ benefit. Since staff worked without on-site supervision and received only brief training, it was difficult for many to improve their performance.

-
- ***Staff turnover during the second program year led to short-term breaks or slowdowns in service delivery.***

Future Steps experienced substantial staff turnover in its second year, with some consequences for program operation. The program coordinator left early in the second year of Future Steps, and the program director departed several months later. A senior-level college administrator assumed responsibility for directing Future Steps but did not have as much time available to devote to the program as the original director. Although an experienced career specialist replaced the coordinator, the loss of the program's key original staff members appeared to hamper program development and result in less oversight of the career specialists during the second half of the demonstration.

Several career specialists also left the program in the second year. By the end of the two-year evaluation period, the number of specialists had dropped to three, with some specialists serving more than one county. Caseloads also declined toward the end of the evaluation period, but service delivery appeared to become less intensive as some staff members began covering larger geographic areas.

In general, recruiting and retaining appropriately qualified staff members appeared to be a challenge for Future Steps administrators. Program leaders commented that it was difficult to find people with the combination of professional skills and community familiarity needed to perform well in the position. In addition, most career specialists were hired as part-time employees and did not receive benefits, making the position less attractive.

- ***One element of the program model—employer-focused job readiness and vocational training—did not materialize.***

Although Future Steps plans included employer-focused training opportunities for program clients, this part of the program design was not realized during the demonstration period. Program designers had intended to enhance clients' work readiness and job-specific vocational skills by working with local employers to develop customized vocational trainings, which would prepare clients for, and connect them to, good jobs in the local area (that is, jobs that offered living wages and a chance for benefits and advancement). One potential business partner was a fruit packaging company; the Future Steps program director hoped to train participants for work on the factory floor. Program administrators also considered offering training for retail positions.

Several factors appeared to contribute to the program's inability to offer focused training in partnership with employers. This element of the program model was not in place when Future Steps launched. This ambitious element would have required substantial staff time to implement. Given that the program director, who had held primary responsibility for program development, was a part-time Future Steps employee who departed midway through the demonstration, following through on initial plans was difficult. Meanwhile, because of increased fiscal pressures within SCC, program administrators focused on other issues. In addition, a weak economy and difficulty partnering with the local workforce

investment agency made it challenging to begin recruiting employers to participate in the effort.

CLIENT EXPERIENCES IN FUTURE STEPS

Future Steps successfully delivered a substantial amount of assistance to most of the people who enrolled in the program. However, clients' experiences do appear to vary somewhat based on when they enrolled in the program and whether they became employed. An analysis of data from the FSIS and from participants' feedback during focus groups offers insights on the intensity and duration of clients' participation, the types of services and level of assistance they received, and the extent to which they entered employment and training.

- ***Most clients met or interacted with Future Steps career specialists many times over an extended period. While many received a high level of service, a substantial minority received few services and had little contact with their caseworker.***

On average, clients had 25 contacts with a Future Steps staff member—many of which comprised multiple activities, such as employment assistance, discussions or mentoring on personal and family matters, and assistance with service needs or referrals (Table II.5). (Only those contacts where services were actually delivered are included in this total.) Contacts occurred in person and by telephone, with the former being more common. Almost all clients who were referred to Future Steps (93 percent) had at least one contact with a career specialist, and nearly half (49 percent) had more than 20 contacts. Although individual contacts generally were brief—about 11 minutes—total contact time averaged about 11 hours per client. The average length of enrollment among Future Steps clients was nearly 16 months, and 70 percent of clients were in the program for more than a year, although most services were delivered during the first several months after a client's enrollment.⁵

Future Steps clients had diverse experiences in the program, with some receiving a considerably more intensive level of service than others. Nearly two-fifths (38 percent) received services at a high level, meeting at least two of the following three criteria: (1) more than 25 service contacts with their career specialist, (2) more than 12 hours of contact time, and (3) more than \$400 in supportive service payments (not shown). This level of participation suggests that these clients likely received a full range of services over an extended period, as the program intended.

⁵ We estimated clients' length of enrollment in the program as the duration of time between the date of their enrollment into the program and the date on which they received their last program service. In almost all cases, clients' date of enrollment was the same as, or within a few days of, their date of random assignment.

Table II.5. Service Use and Participation (Program Group)

	Percentage
Service Contacts (All Service Types)	
At least one contact	93
More than 10 contacts	72
More than 20 contacts	49
Average number of contacts	25
Service Contacts (Specific Service Types)	
At least one mentoring/counseling discussion	91
More than 10 mentoring/counseling discussions	60
At least one employment help contact	83
More than five employment help contacts	40
At least one referral	42
Three or more referrals	17
At least one mediation with employer or other agency	9
Average Total Contact Time (in Hours, Among Clients with at Least One Contact)	10.6
Sample Size	313

Source: Future Steps Information System, compiled by Mathematica Policy Research, Inc., as part of the Rural Welfare-to-Work Evaluation.

In contrast, a smaller, but still substantial, proportion of clients participated little in the program or not at all. Nearly one-fifth (18 percent) met at least two of the following three criteria suggesting a low level of involvement: (1) fewer than five service contacts with their career specialist, (2) less than three hours of contact time, and (3) \$100 or less in supportive service payments. Some of these clients may have been unwilling to meet with Future Steps staff because they did not desire services or feel they needed them, or they may have been difficult to contact after referral to the program. In addition, career specialists with limited training or experience may not have been successful in keeping less motivated clients engaged in the program or in targeting Future Steps services to help maintain clients' participation.

- ***Clients who entered Future Steps during the first half of the evaluation period appeared to receive more intensive services, as well as a broader set of services.***

Clients who entered Future Steps during the first half of the demonstration had more contacts with staff and more contact time than those who enrolled during the second half.⁶

⁶ The program was implemented during the two-year period from July 2001 to September 2003, and random assignment and program enrollment were conducted during the 18-month period from July 2001 to December 2002. Clients who enrolled during the first and second halves of the demonstration were those who were randomly assigned during the first and second 9-month periods, respectively, of the 18-month enrollment period.

Comparing clients' first six months of participation in Future Steps, those entering the program during the first half of the enrollment period averaged about four more contacts with staff than those entering during the second half of the enrollment period (Table II.6). In addition, the percentage of clients in the earlier group who had more than 10 contacts with program staff in their first six months (78 percent) was larger than for the later group (66 percent). The total amount of contact time also was higher for the earlier group, by almost three hours, on average. These differences in service receipt and intensity are consistent with the decrease in implementation quality during the second half of the demonstration.

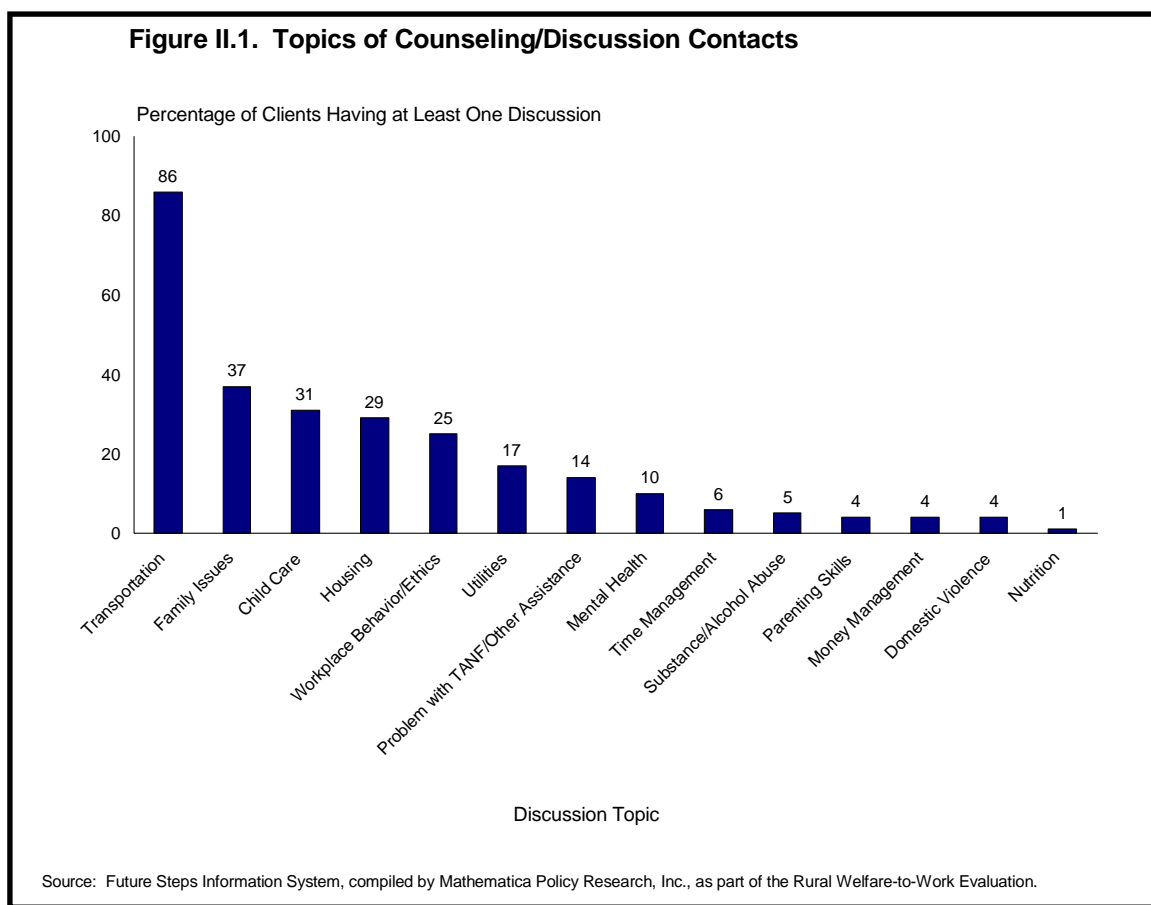
It also appears that certain types of services were offered less frequently to clients enrolling in the second half of the demonstration period. For example, clients in the later group were much less likely to receive a referral to another service provider (Table II.6). In addition, although Future Steps staff members performed employer mediation on behalf of a minority of clients enrolled in the first half of the demonstration (16 percent), none of the clients enrolling later received this service (not shown). These patterns suggest that career specialists were less fully engaged with clients in the later part of the demonstration.

Table II.6. Service Use and Participation During First Six Months After Enrollment, by Enrollment Period

	Enrolled in First Half of Demonstration	Enrolled in Second Half of Demonstration
Service Contacts (All Service Types)		
At least one contact (percentage)	95	88
More than 10 contacts (percentage)	78	66
More than 20 contacts (percentage)	50	39
Average number of contacts	22	18
Service Contacts (Specific Service Types) (Percentage)		
At least one mentoring/counseling discussion	95	86
Ten or more mentoring/counseling discussions	64	49
At least one employment help contact	82	79
Five or more employment help contacts	39	21
At least one referral	45	25
Three or more referrals	20	6
At least one supportive service payment	76	68
Average Total Contact Time (in Hours, Among Clients with at Least One Contact)	8.1	5.2
Sample Size	174	139

Source: Future Steps Information System, compiled by Mathematica Policy Research, Inc., as part of the Rural Welfare-to-Work Evaluation.

*/**/** Significantly different from zero at the .05/.025/.01 level, one-tailed test.



- ***Future Steps employment services emphasized general job search advice. Job placement and job advancement assistance was less common.***

Most Future Steps clients received some type of employment assistance, but staff members were more likely to provide job search advice than help with placement or advancement. Career specialists helped more than 80 percent of their clients with their job search, primarily by identifying job opportunities. A much smaller proportion of clients (38 percent) received job placement assistance, such as having a career specialist contact an employer to help arrange an interview. Finally, 12 percent of clients received advice from Future Steps staff on how to advance in employment after they had secured jobs.

- ***Future Steps staff addressed logistical and personal issues in their discussions with clients. A minority of clients were referred to outside providers for other services.***

Career specialists helped many Future Steps clients address personal and logistical issues through mentoring or informal counseling discussions. More than 9 in 10 clients

(92 percent) participated in at least one mentoring discussion with their career specialist. While involved in the program, the average client had 23 mentoring discussions with career specialists about one or more personal, family, or logistical issues in his or her life.

Transportation and family issues were the most common topics addressed in discussions between career specialists and clients (Figure II.1). More than four-fifths of the client population discussed transportation at least once, and many raised the issue quite a few times. (Of those clients who discussed transportation with a career specialist, nearly 60 percent did so more than 10 times.) This frequency is not surprising, given the rural context of Future Steps. More than a third of Future Steps clients (37 percent) raised family issues, such as conflict with a spouse or partner, in conversations with career specialists, and similar proportions had discussions about child care and housing. Just a quarter of all Future Steps clients spoke with career specialists about workplace behavior and ethics, reflecting a limited focus in these discussions on job readiness issues.

Although Future Steps staff members could make referrals to other providers to help address employment barriers, they did not do so for most clients. Career specialists referred 41 percent of clients to other service providers for assistance, usually training. About one-third of all clients (32 percent) received a referral for training or education. Much smaller proportions received referrals for needs such as mental health care (six percent) or substance abuse treatment (two percent).

- ***Clients received an average of \$297 in supportive service payments, often toward their transportation expenses. Staff assisted many clients beyond the \$500 soft cap, but almost 3 in 10 clients received no supportive service payments at all.***

Flexible supportive service payments were an important part of the Future Steps program model, and most clients used this assistance. Almost three-quarters of all Future Steps clients (72 percent) received at least one supportive service payment, and 29 percent of clients received five or more (Table II.7). Clients received a total of \$297 in payments, on average.

Future Steps staff exceeded the “soft cap” of \$500 in supportive service payments for more than a quarter of their clients (26 percent), indicating that career specialists sometimes maximized the flexibility of the payments to meet the needs of individual clients. However, a similar proportion of clients (28 percent) received no payments at all.

Although supportive service payments were designed to be flexible and cover a wide variety of needs, funds were most often used simply to help reimburse clients for transportation costs. Among those clients receiving supportive service payments, 67 percent received at least one payment for transportation (Figure II.2), and nearly 60 percent of clients using supportive service dollars received more than three transportation-related payments. Expenditures on equipment or clothing were also common; 34 percent of clients received a payment to help purchase such items. Much smaller proportions of clients used supportive service payments for housing (seven percent), utilities (five percent), or education (three percent).

Table II.7. Receipt and Value of Supportive Service Payments

	Program Group
Receipt of Payments	
Received at least one payment (percentage)	72
Received five or more payments (percentage)	29
Average number of payments received	3.5
Value of Payments	
Average total amount among all clients (dollars)	297
Average total amount among clients who received payments (dollars)	411
Average amount per payment (dollars)	99
Received payments totaling \$250 or less (percentage)	56
Received payments totaling \$251 to \$500 (percentage)	19
Received payments totaling more than \$500 (percentage)	26
Sample Size	313

Source: Future Steps Information System, compiled by Mathematica Policy Research, Inc., as part of the Rural Welfare-to-Work Evaluation.

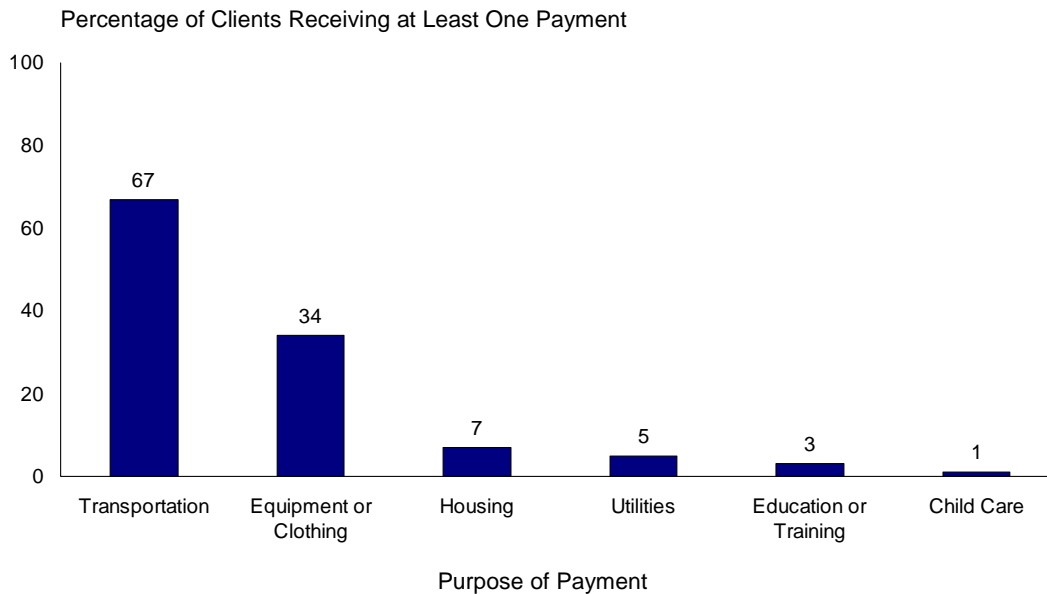
- ***Service use was more substantial for clients who became employed than for those who did not. Services were most intensive for employed clients before they secured a job and during the first three months after they secured a job.***

According to FSIS data, 65 percent of Future Steps clients became employed at least once while they were enrolled in the program. Among clients who became employed, nearly two-fifths (39 percent) were employed at least 90 days. Job turnover was common among Future Steps clients, however. FSIS data indicate that more than a fifth (22 percent) of employed clients changed jobs once, and 32 percent changed jobs two times or more while enrolled in the program.

Among Future Steps clients who did not become employed, a large majority were engaged in the program, but they tended to receive less frequent or intensive services than clients who did secure employment. More than four-fifths (81 percent) of clients who remained unemployed had at least one contact with a career specialist. However, they averaged only 9 total contacts, compared with 44 for clients who found jobs. Similarly, among clients who remained unemployed, fewer received supportive service payments, compared with clients who became employed (48 versus 95 percent).

The intensity of clients' participation in Future Steps was most active before they secured employment and during the first three months after becoming employed. Clients who became employed had an average of four service contacts per month with their career specialist before getting a job, over a period averaging seven months. In the first three months after becoming employed, clients averaged three service contacts per month with

Figure II.2. Uses of Supportive Service Payments



Source: Future Steps Information System, compiled by Mathematica Policy Research, Inc., as part of the Rural Welfare-to-Work Evaluation.

their career specialist. After that, they averaged just under 1 contact per month. These findings suggest that the program played an active role in providing postemployment support during the first three months after clients secured employment. After that, services were generally delivered on an as-needed basis, usually at the client's request.

- ***Clients reported that the program strengthened their motivation and self-confidence and gave them a sense of control over their lives. However, some expressed concerns about the program's ability to provide effective assistance in a weak job market.***

In focus groups, many Future Steps clients expressed the opinion that program services were valuable and had helped them better their situations. Clients described the importance of tangible benefits of the program—for example, supportive service payments to purchase work clothes or pay for car repairs—as well as the difference the program made in improving their motivation and confidence to gain employment and overcome obstacles.

Many clients noted that the presence, encouragement, and ongoing emotional support of the Future Steps career specialists were important factors in their success. As one client

expressed, “It’s just somebody being there, knowing [and] not thinking that they [are] better. Just being there, period.” Others explained, “When you have someone backing you like [the career specialist], you feel like you can do anything” and “You don’t want to let her down so you push yourself to do it.” These clients felt that their career specialist was interested in them and had helped give them the confidence to set goals for themselves, overcome hurdles, and move toward economic independence.

Nevertheless, some clients also conveyed the view that the program was limited in its ability to help them address their considerable long-term obstacles. One participant, for example, felt that the usefulness of supportive service payments was constrained by the general limit of \$500. “Five hundred dollars for everything isn’t even insurance for two or three months for a vehicle,” she explained, “much less the cost of child care.”

Many clients drew attention to the lack of readily available employment opportunities in the area, and some were disappointed that Future Steps provided limited services to address this. For example, one participant in the focus groups explained that the better jobs are “\$10 [or] \$15 an hour jobs, but it’s an hour and a half to get there.” Most employed clients in the focus groups attested that the program services did not directly result in their employment; rather, they had found their job through friends, neighbors, or family. One client noted that Future Steps “needed to have more jobs.... They should have [had] the contacts.... We’re coming to [Future Steps] to get a job and [the program is] still trying to send us somewhere [else].”

Focus group participants expressed mixed opinions about the value of the job retention services Future Steps provided. Some who had secured a job felt that Future Steps could do little to help them keep it or to get a raise or promotion: “Once you’re hired, the program has nothing to do with [helping you keep a job].” Still, these unenthusiastic sentiments were not uniform and varied across clients, often by the county in which they lived. Some other clients were positive about the employment services Future Steps provided. One said, “If [the career specialists] see [that] you’re interested, then they really do the extra.” Another noted that the best part of the program was the assistance her worker provided through “one-on-one calling [of prospective employers] and helping [her] to get a [specific] job.” Still another client shared that her career specialist had visited her at work “two or three times, just to check on me [and] make sure if I needed anything.”

COSTS OF FUTURE STEPS

An assessment of program costs is important for understanding program implementation, making recommendations about program improvements, and guiding future planning and development efforts. As part of the evaluation, we developed an estimate of the total annual operating costs of the Future Steps program, as well as a unit cost estimate for the average participant the program served. Here, we highlight key findings from our program cost study. Appendix B provides an analysis of costs by program component.

- ***The cost to operate Future Steps during a one-year period totaled \$333,214.***

We constructed an estimate of the aggregate cost of operating the program during a one-year, steady-state period. The cost analysis period represents a typical, ongoing year of program operations—one with relatively stable services, staffing, and client flows.⁷ We measured the market value of *all* resources used to operate the program and deliver services to participants during the cost period, including “off-budget” expenses that were donated, covered by other programs’ resources, or absorbed by an organization’s general administrative structure.⁸ Such a market-based approach provides a realistic and complete estimate of what it would cost to replicate the program in a similar setting.

Operating the Future Steps program cost an estimated \$333,214 per year (Table II.8). Costs were incurred from program activities carried out by both SCC and the Illinois Department of Human Services (IDHS).⁹ Overall, more than two-thirds (71 percent) of total costs were labor costs, including wages and fringe benefits.¹⁰ One-tenth of total labor costs was SCC staff time that was uncompensated overtime or “donated” by student interns.¹¹ The other program costs mostly included supportive services made to participants (12 percent) and general administrative and other indirect costs (9 percent).¹²

⁷ We selected October 1, 2001, to September 30, 2002, as the cost analysis period. Overall, the program operated during the two-year period from July 1, 2001, to September 30, 2003.

⁸ We excluded costs explicitly related to participating in the evaluation. We estimate that any costs that could not be fully excluded were very small (that is, less than one percent).

⁹ IDHS paid for the Future Steps program using Illinois state TANF funds. The costs of the Rural WtW Strategies Demonstration Evaluation were covered by the U.S. Department of Health and Human Services, Administration for Children and Families.

¹⁰ To construct an estimate of the program’s labor costs, we relied heavily on interviews with staff. During in-depth staff interviews conducted as part of our site visits, we asked staff to reflect on how they spent their time and used resources. Drawing on our understanding of Future Steps’ processes, we engaged staff in detailed discussions about their time and activities. In particular, we asked them to estimate the amount of time they spent in a typical month (overall and on different program functions) and how their time varied throughout the month and cost period. Using the information they provided, along with data on staff wages, salaries, fringe benefits, and other relevant unit costs, we developed an estimate of total labor costs. The labor estimate for SCC is based on actual staff wage and salary data. In contrast, the labor estimate for IDHS staff is based on average salaries for administrators, managers, and case management staff.

¹¹ Overall, we estimated the value of uncompensated and donated time as \$24,000. Nearly three-fifths of the amount represents support staff; most of the rest represents career specialist time.

¹² For nonlabor costs, we relied mainly on accounting records. In addition to line-item expenditures, SCC provided an overhead rate that allowed us to value general administrative and other indirect costs. Except for travel costs, IDHS incurred no specific line-item expenses. Although IDHS did not use an organizational overhead rate, it was able to provide us with information on local lease costs that allowed us to estimate a comparable overhead rate for its general administrative and indirect costs.

Table II.8. Total Estimated Costs for a One-Year Period of Future Steps Program Operations (in Dollars)^a

Type of Cost	Shawnee Community College (SCC)	Illinois Department of Human Services (IDHS)	Total
Labor Costs^b			
Administrators	7,893	7,488	15,381
Managers	56,993	14,571	71,564
Case managers	108,691	12,388	121,080
Support staff	28,079	—	28,079
Subtotal—Labor Costs	201,656	34,447	236,103
(Percentage of total)	(72)	(63)	(71)
Other Costs			
Supportive service payments	39,476	—	39,476
General student supportive services	4,233	—	4,233
Travel	7,031	505	7,536
Office supplies	1,797	—	1,797
Audit services	350	—	350
Administrative and other indirect costs	24,182	4,998	29,180
Donated facilities and supplies	—	14,540	14,540
Subtotal—Other Costs	77,068	20,043	97,111
(Percentage of total)	(28)	(37)	(29)
Total Costs for One-Year Period	\$278,724	\$54,490	\$333,214
(SCC and IDHS percentage of total)	(84)	(16)	

^aWe estimated costs for the period October 1, 2001, to September 30, 2002.

^bLabor costs include fringe benefits. The administrator costs include time spent by senior-level administrators within SCC and the state and regional IDHS offices. The manager costs include time spent by the Future Steps director and coordinator (both SCC employees), as well as the county-level IDHS supervisors. The case manager costs include time spent by the Future Steps career specialists (employed by SCC), as well as the county-level IDHS case managers.

Nearly all program costs (84 percent) resulted from activities carried out by SCC (Table II.8). Most of SCC's costs were labor costs. The Future Steps career specialists alone comprised one-third (33 percent) of total program costs.¹³ Their portion of costs was kept relatively low, given the program's general reliance on part-time career specialists—four of the five worked part-time and did not receive a full set of benefits. The work of the part-time Future Steps director and full-time coordinator also comprised a substantial fraction of total costs—close to one-fifth (17 percent).¹⁴

IDHS also played a valuable role in operating the program. In particular, IDHS contributed to program planning and management and supported Future Steps staff in implementing the program locally. Ten percent of total program costs represent IDHS staff time. Several administrators in the state IDHS office and two in the regional office helped develop program plans and oversee program implementation. County-level IDHS supervisors and frontline staff coordinated with Future Steps career specialists regarding service delivery to shared clients.¹⁵ In addition, IDHS donated office space and supplies to the program. The Future Steps career specialists were housed in the IDHS offices and used IDHS computers, telephones, and supplies. The value of this donated office space and supplies represents 4 percent of total program costs (or more than one-quarter of total IDHS costs—27 percent).¹⁶

Reflecting differences in accounting methods, our estimate of total program costs was 70 percent higher than the total expenditures tracked by the program for the same time period. The difference reflects our focus on assigning a market value to all resources used in operating the program, which went beyond a simple accounting of the expenses directly incurred or funded. First, the program only tracked expenditures incurred by SCC—it did not track the expenses incurred by IDHS, as we did. Second, the program did not track the labor cost of the SCC senior-level administrators. The time these staff spent providing administrative guidance and oversight to the program was paid for by SCC through its general administrative funds, rather than through project-specific funds. Third, project accounts undervalued the cost of the part-time project director's time. Because her other role as director of SCC's Placement Office overlapped somewhat with her Future Steps role, we counted a small fraction of her Placement Office time as a Future Steps cost.¹⁷ Fourth,

¹³ The Future Steps career specialists are categorized in Table II.8 as SCC case managers.

¹⁴ The Future Steps director and coordinator are categorized in Table II.8 as SCC managers.

¹⁵ In valuing the time spent by county-level IDHS staff, we did *not* consider the time that we assumed would have still occurred if the program did not exist.

¹⁶ We developed the estimate of the donated office space and supplies based on information provided by IDHS on local lease costs, other indirect costs, and the number of staff per county office. For each county office, we valued the cost of the space and supplies the Future Steps worker used in proportion to the value of her wages and benefits relative to the wages and benefits of all staff in the office. In so doing, we developed a conservative, lower-bound estimate of the value of the space and supplies.

¹⁷ We counted nine percent of the director's Placement Office time as a Future Steps cost. We arrived at this fraction by considering the number of Future Steps participants in proportion to the number of SCC students and by assuming that relatively more effort was required to place a Future Steps participant in a job compared with the average SCC student.

program accounts did not include SCC's general administrative and other indirect costs. Finally, SCC did not track volunteer or uncompensated staff time.

- ***The average overall cost of serving a Future Steps participant was \$2,901.***

Our estimate of total program costs, coupled with FSIS enrollment and service use data, formed the basis for assessing the average overall cost per participant. In our calculation of the cost per participant, we considered clients to be participants if they (1) enrolled during the cost period or the three months before the cost period (“cost period enrollees”), and (2) received at least one program service or contact during the cost period. Program participation for the cost period enrollees was nearly universal (98 percent).

Future Steps clients participated over a relatively long period at a modest monthly cost. Cost period enrollees participated for an average of about 17 months, at a monthly cost of \$170 and an overall cost of \$2,901 (Table II.9). We used several steps to calculate this estimate. First, we calculated the average overall duration of participation for the cost period enrollees.¹⁸ Second, we calculated the number of months during the cost period that each of the participants was enrolled in the program. We summed these months to count the “total person-months of participation” during the cost period for all cost period enrollees. Third, we calculated the “average cost per-participant month” by dividing the total program cost estimate by the total person-months of participation. Fourth, we calculated the “average total cost per participant” by multiplying the average overall duration of participation in the program by the average cost per-participant month.

Future Steps cost less for the average participant than other recent welfare-to-work programs. Findings from the cost study of the Evaluation of the Welfare-to-Work (WtW)

Table II.9. Average Total Cost per Future Steps Participant

Total Program Cost (One Year)	Total Participants During Cost Period	Total Person-Months Of Participation During Cost Period	Average Overall Duration Of Participation (Months)	Average Cost per-Participant Month ^a	Average Total Cost per Participant ^b
\$333,214	266	1,964	17.1	\$170	\$2,901

^aAverage cost per-participant month = (total program cost / total person-months of participation).

^bAverage total cost per-participant = (average cost per-participant month x average overall duration of participation).

¹⁸ We estimated the average overall duration of participation for cost period enrollees. As there was no program exit date, we estimated the duration of participation as the length of time between the date of a client's enrollment into the program and the date on which that client received his or her last program service.

Grants Program offers a useful point of comparison. Nine of the WtW programs in this national evaluation implemented an “enhanced direct employment” model that was generally comparable to Future Steps. Like Future Steps, these programs operated outside of the welfare agency, focused on moving participants into employment fairly quickly, and provided a range of supportive services. On average, Future Steps cost close to \$800 less per participant than these nine WtW programs—\$2,901 versus \$3,699 (Perez-Johnson et al. 2002).¹⁹ The average cost of serving a Future Steps participant was likely lower than these other WtW programs for two key reasons. First, Future Steps targeted a relatively broad segment of the WtW population, rather than focusing on hard-to-employ clients. As a result, Future Steps services were relatively less intensive and costly than many of the other WtW programs. For example, some of the other programs included subsidized work experience opportunities, which added to overall costs. Second, it is likely that the administrative and other overhead costs were somewhat lower in rural Illinois than in the urban areas in which most of the other programs were located.

- ***Future Steps did not spend all of its available funding. Overall, the program kept its costs down by underspending on supportive service payments and staff resources.***

The Future Steps program did not expend all of its available funding. The program-tracked expenditures for the one-year cost study represented about three-quarters of the program’s one-year budget. That is, the program spent \$70,000 less than its available funding for a one-year period of operations.

The Future Steps program contained costs through smaller-than-expected investments in both supportive service payments and staff resources. First, supportive service payments were lower than projected. The program might have used supportive service payments more actively than it did to address clients’ ongoing needs. Future Steps projected that it would spend approximately \$88,000 per year on supportive service payments. During the cost period, the program spent \$39,476—less than half the budgeted amount.²⁰ As described earlier, some clients received no payments, and others received substantially less than the program limit. Second, staffing costs were somewhat lower than anticipated. Although the program director was a full-time SCC employee, it was intended that she spend only part of her time (60 percent) on the Future Steps program. In the second half of the cost period, however, her available time for Future Steps fell below 50 percent, as she took on additional project responsibilities at SCC. In addition, the overall time spent by the career specialists was lower than expected due to staff turnover and resulting short-term gaps in caseload coverage.

¹⁹ The estimates from the WtW Evaluation’s cost study were converted from 2000 dollars into 2002 dollars using the Gross Domestic Product chain-type price index.

²⁰ Across the two-year demonstration period, Future Steps provided \$93,017 in supportive service payments to participants. This represented 53 percent of the total amount budgeted for these payments (\$176,000 across two years).

CHAPTER III

IMPACTS ON EMPLOYMENT, SELF-SUFFICIENCY, AND WELL-BEING

Through its employment-focused, case management model, Future Steps aimed to help clients develop job-related skills, enhance practical life skills, overcome logistical and personal challenges, and make a successful transition into the workforce. The services and support delivered through the program were intended to help clients maintain employment, advance in the workforce, improve well-being, and, ultimately, achieve economic independence. We expected that, 18 months after they enrolled in Future Steps, the program group members, on average, would have significantly higher employment rates and earnings, significantly lower TANF and family poverty rates, and greater levels of personal and family well-being than their control group counterparts.

Overall, Future Steps program group members received substantially more services than control group members, but there was no evidence that Future Steps led to improved employment and earnings or that it reduced welfare dependence or personal and family hardships. In this chapter, we examine findings related to sample members' use of services and the effects of the Future Steps services on their employment, self-sufficiency, and well-being. We first compare the types of services and resources that both program and control group members used. We then examine program impacts on employment, public assistance, and personal and family well-being. Finally, we assess whether Future Steps led to differences in outcomes for key subgroups. In Chapter IV, we more fully examine the factors that explain the findings and discuss the implications of the findings for designing, implementing, and testing welfare-to-work programs in rural areas.

The following discussion of program impacts focuses on the 18-month period after sample members were randomly assigned into the Future Steps program or the control group. We draw primarily on data from the 18-month client survey and, where appropriate, we integrate findings based on administrative records data. Chapter I contains a discussion of the analytic methods used for the impact study. Appendix C contains supplemental tables and figures.

DIFFERENCES IN THE USE OF SERVICES AND RESOURCES

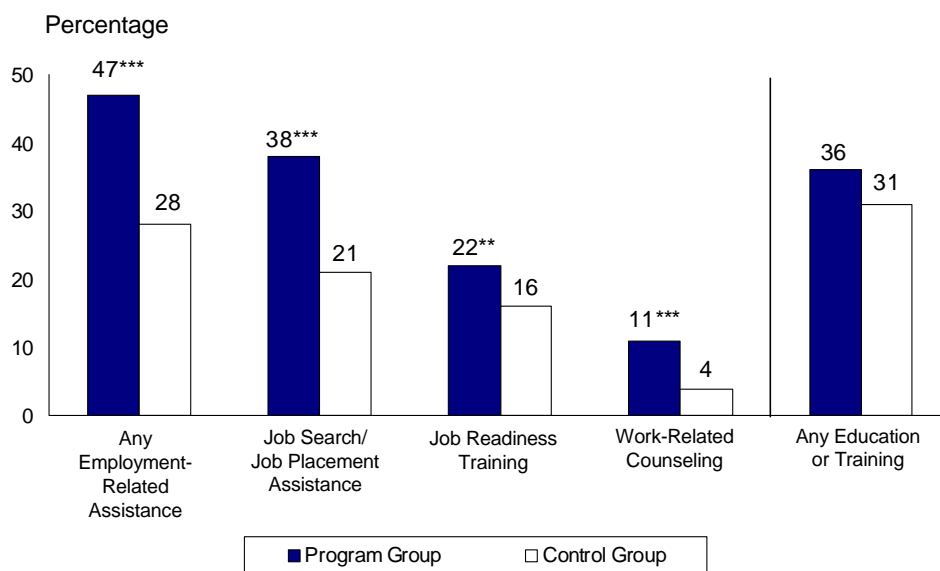
For Future Steps to positively affect clients' employment, self-sufficiency, and well-being, program group members had to receive more services than control group members. In Chapter II, based on an analysis of program data recorded in the Future Steps Information System (FSIS), we observed that many program group members received a substantial amount of individualized support from Future Steps over an extended period. In this section, based on an analysis of 18-month survey data, we compare *all* of the services and resources used by program *and* control group members during the 18-month follow-up period, including those related to employment, education and training, and logistical and personal support. Though only program group members benefited from Future Steps, both groups might have received services from a wide variety of sources. Given the intensity of Future Steps and the addition the program represented to the local service capacity, we expected that a higher fraction of program group members than control group members would receive different types of services. In the 18-month survey, we asked both groups the same set of questions about the services they received.

- ***Significantly more program group members than control group members received employment-related assistance.***

Program group members were significantly more likely than control group members to report having received employment-related assistance. Future Steps emphasized providing participants with job search advice and individualized assistance to secure a job. To a lesser extent, the program worked with participants to enhance their general employability and readiness for work (for example, by coaching and mentoring them on workplace readiness issues and life skills). At the 18-month followup, nearly half of all program group members reported that they had received some type of employment preparation assistance during the 18-month period after they enrolled in Future Steps (47 percent, compared with 28 percent of control group members) (Figure III.1).

Job search and job placement assistance was the most common type of employment preparation service received. More than one-third (38 percent) of program group members, compared with one-fifth of control group members, reported that they had received some type of job search or job placement service, such as help writing a resume or finding a job opening, getting a better job, or arranging a job with an employer (Figure III.1). Although less prevalent, more than one-fifth (22 percent) of program group members, compared with 16 percent of control group members, received some type of job readiness training to help prepare them for work. This training included mentoring on such topics as getting along with people at work, dressing for a job, and maintaining a work schedule. Significantly more program group members also received counseling, help, or encouragement from a caseworker, job coach, or counselor about issues at work (11 versus 4 percent). Finally, Future Steps did not emphasize participation in work experience and on-the-job training opportunities, and about one-tenth of both program and control group members held work experience or on-the-job training positions during the follow-up period (not shown).

Figure III.1. Employment and Training Services Received During the 18-Month Follow-Up Period



Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: Estimates were adjusted using multivariate regression methods, and data were weighted to account for survey nonresponse. Standard errors of the estimates account for sample weights.

*/**/*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

The duration and intensity of employment assistance was significantly higher among program group members than among control group members (not shown). Among sample members who received assistance, the average time period over which the assistance was received was twice as long for program group members as for control group members (eight versus four months). In addition, among those who received any type of employment-related assistance, program group members reported receiving help more times—35 sessions or meetings, on average, compared with 20 for control group members.

The fraction of program group members who reported on the survey that they had received employment services was substantially lower than the reports based on the program's FSIS database. As discussed in Chapter II, more than four-fifths of program group members received some type of employment service, based on FSIS data, compared with just under half, based on survey data. Since the survey was collected 18 months after program enrollment and, presumably, several months after most clients received services, some may not have recalled receiving them or may have perceived the service somewhat differently than it was characterized on the survey. However, the difference in service use between the two data sources also suggests that the services some clients received may have been relatively limited, or not intensive or distinctive enough to be recalled.

- ***About one-third of all sample members participated in education and training during the 18-month follow-up period. Differences between program and control group members were not significant.***

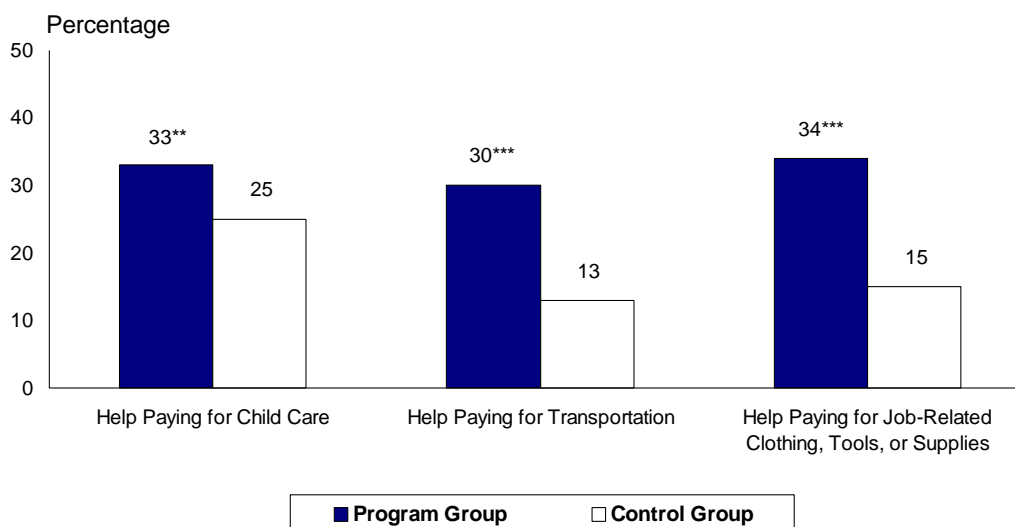
Many sample members, program and control group members alike, sought to improve their economic prospects through education and training. About one-third—36 percent of program group members and 31 percent of control group members—reported participating in some type of education or training during the 18-month follow-up period (Figure III.1). The difference was not significant, suggesting that Future Steps played a limited role in helping connect clients with local education and training opportunities. Among those who participated in education and training, the duration and intensity of training were similar for program and control group members. Both groups participated about 20 hours per week, and the average duration of training was about six months (seven for program group members and five for control group members).

Vocational programs and course work were the most popular educational options for sample members. One-quarter of program and one-fifth of control group members participated in vocational education or training, which represented postsecondary course work for many. (This difference was not significant.) (See Appendix C, Figure C.1.) Computer-related programs and the Certified Nursing Assistant program were popular training options. Among those who participated in vocational training, about one-third of both groups earned a degree or certificate during the 18-month follow-up period. Smaller fractions—less than one-tenth of both groups—took high school or GED classes or participated in adult basic education. Among clients who did not have a high school credential at baseline, about one-fifth of both groups had earned one by the time of the follow-up survey.

- ***Program group members were much more likely than their control group counterparts to receive logistical support, including help finding and paying for transportation, child care, and job-related clothing, tools, and supplies.***

Future Steps played an important role in helping clients access and pay for child care, transportation, and job-related clothing, tools, and supplies. These logistical issues can be a challenge for many low-income workers. About one-third of program group members, compared with a significantly smaller fraction of control group members, reported that they had received help paying for child care from the welfare agency or another agency; similar fractions of program group members reported receiving help paying for transportation and job-related materials (Figure III.2). These fractions were significantly higher than those for control group members. In particular, about one-quarter of program group members reported receiving gas vouchers, about one-tenth reported receiving money for car repairs, and another one-tenth reported receiving money for car registration, licensing, or insurance (Appendix C, Table C.1). In addition to paying for logistical services, program group members were also significantly more likely to report that they had received help obtaining or making arrangements for child care, transportation, or work-related materials (Appendix C, Figure C.2).

Figure III.2. Logistical Supportive Services Received During the 18-Month Follow-Up Period



Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: Estimates were adjusted using multivariate regression methods, and data were weighted to account for survey nonresponse. Standard errors of the estimates account for sample weights.

//*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

- ***Future Steps helped many clients with a wide range of personal and family needs. A small but significantly higher fraction of program group members, compared with control group members, received life skills training and mediation services.***

As part of Future Steps case management services, career specialists helped many clients with personal and family issues. Differences between the program and control group members were generally not significant, however, likely reflecting the program's lesser focus on personal and family assistance, compared with employment-related assistance. More than two-fifths of both groups reported receiving some type of personal or family service during the 18-month follow-up period (47 versus 42 percent, respectively) (Table III.1). About one-quarter of both groups received a health-related service, though the fraction that reported receiving services for mental health and medical attention for physical conditions was much lower than the fraction that were identified as facing mental and physical health challenges. (The prevalence of obstacles and hardships is discussed later in this chapter.)

Table III.1. Personal and Family Services and Assistance Received During the 18-Month Follow-Up Period

Type of Service (Percentage)	Program Group	Control Group	Estimated Difference
Any Personal or Family Service	47.1	42.3	4.9
Life Skills Training	13.7	8.5	5.2*
Personal Encouragement			
Counseling/encouragement on personal issues	12.7	10.5	2.2
Support or discussion groups	7.3	7.8	-0.6
Advocacy			
Legal assistance	10.6	13.7	-3.1
Mediation with employers, landlords, others	7.8	1.7	6.0***
Help finding housing	4.7	5.1	-0.4
Health-Related Services			
Any health-related service	24.4	25.5	-1.1
Mental health services or counseling	9.9	9.0	0.9
Substance abuse services or treatment	2.5	2.6	-0.1
Domestic violence counseling	4.2	3.4	0.8
Medical attention for physical condition	12.2	14.2	-2.1
Household member received counseling related to mental health, substance abuse, or domestic violence	7.9	8.0	-0.1
Sample Size	252	268	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

*/**/** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

Significantly higher fractions of program group members than control group members received life skills training and mediation services (Table III.1). Life skills training in Future Steps focused on managing life responsibilities while working—for example, by managing money better, developing parenting and relationship skills, and balancing job and family responsibilities. Although a small fraction of program group clients (14 percent) reported receiving training on life skill issues during the follow-up period, an even smaller fraction of the control group (9 percent) was able to take advantage of such services. Future Steps career specialists also played an important role mediating employment and other issues for a small but significant fraction of program group members. Eight percent of program group members, compared with two percent of control group members, reported that a

caseworker, job coach, or counselor had helped them by talking to someone on their behalf (such as an employer or landlord) to help work out problems.

IMPACTS ON EMPLOYMENT AND EARNINGS

Future Steps was designed to increase clients' employment and earnings through its employment-focused case management services. The services and support provided through the program were not only intended to help clients obtain a good job, but also to help them maintain employment, advance in the workforce, and increase their earnings. In this section, we present the impacts of the program on employment and earnings during the 18 months after sample members were randomly assigned either to the program or control group. We also highlight differences in the job characteristics of those sample members who were employed during the follow-up period.

- ***Overall, Future Steps did not improve clients' employment status, despite somewhat higher employment rates for program group members during the early months after random assignment.***

The employment rates of program and control group members were generally similar during the 18-month follow-up period. Three-quarters of both groups were employed at some point during the follow-up period, and a little more than half of both groups were employed 18 months after random assignment (Table III.2). Both program and control groups experienced an overall increase in employment of roughly 20 percentage points during the follow-up period (Figure III.3). This increase partly reflects the work orientation of the people the program targeted. At baseline, all sample members stated that they were available to work 30 hours per week. Many also were required to do so to receive TANF or food stamp benefits.

Although program group members experienced somewhat higher employment rates than control group members during the early months after random assignment, these differences did not persist (Figure III.3; Appendix C, Tables C.2 and C.3). Given the job search and job placement assistance the program provided, the early gains in employment for the program group were not unexpected. Based on survey data that tracked employment month by month, there was a significant difference in employment only during the fourth month after random assignment (48 versus 40 percent for the program and control groups, respectively). Moreover, the findings based on administrative records data show that program group members were employed at significantly higher rates during the first three quarters after random assignment (seven to nine percentage points higher than control group members per quarter) (Appendix Table C.3).¹ These early employment differences, however, did not persist throughout the follow-up period based on either the survey or administrative data.

¹ We examined employment and earnings using both monthly survey data and quarterly administrative records data. While the discussion here focuses on the survey data analyses, some of the tables in Appendix C show results based on administrative data.

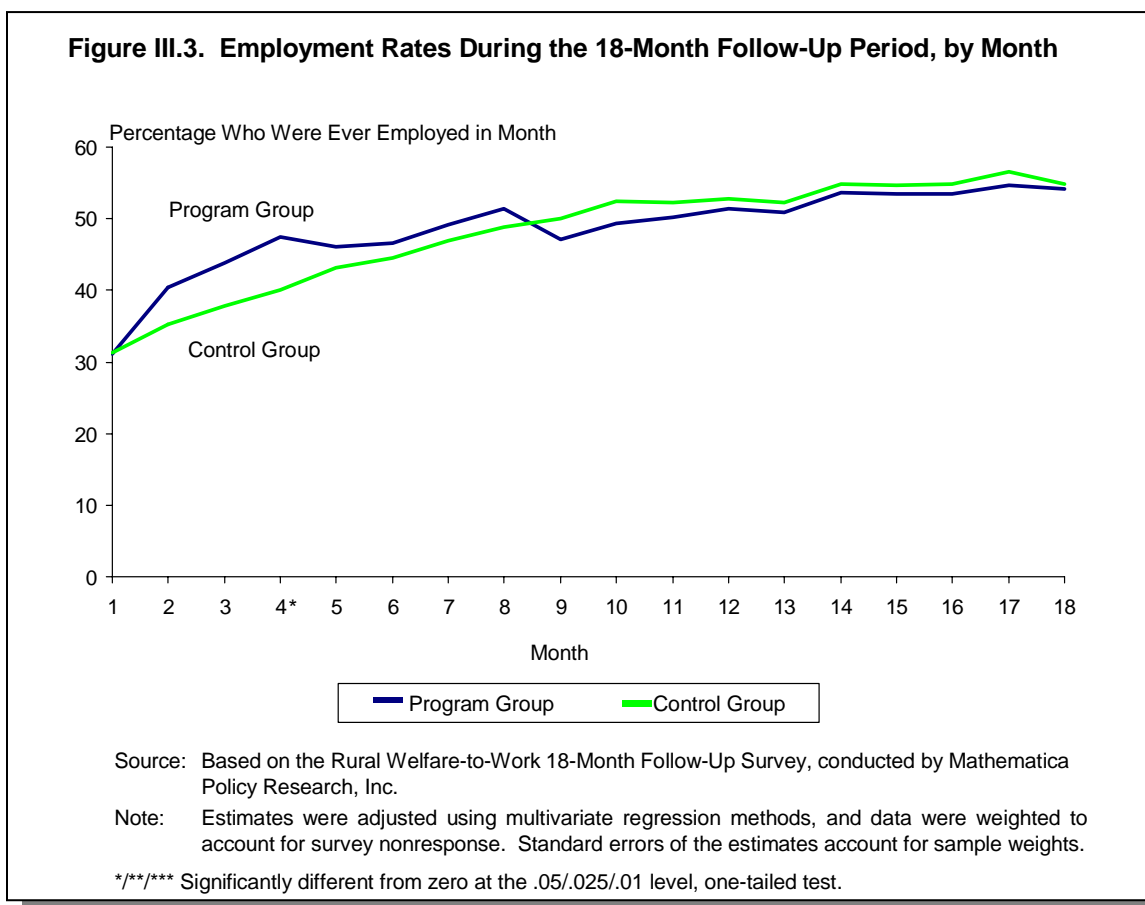
Table III.2. Employment and Earnings During the 18-Month Follow-Up Period

Outcome	Program Group	Control Group	Estimated Impact
Employment (Percentages)			
Employed 18 months after random assignment	54.2	54.9	-0.6
Ever employed during follow-up period	74.5	75.1	-0.6
Months employed during follow-up period (percentage)			
0	24.6	21.3	3.3
>0 to 24	8.2	13.6	-5.4
25 to 49	17.9	15.3	2.6
50 to 74	16.4	15.3	1.1
75 to 100	33.0	34.6	-1.5
Average	48.7	49.1	-0.5
Number of jobs during follow-up period			
0	23.6	20.6	3.0
1	32.0	46.2	-14.2***
2 or more	44.4	33.2	11.2***
Average number of jobs	1.5	1.3	0.2**
Earnings (Dollars)			
Monthly earnings during follow-up period (average for all clients)	568	614	-45
Total earnings during follow-up period (average for all clients)	8,831	9,381	-550
Sample Size	252	268	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.



Program and control group members both cited a wide range of reasons for not working. Among those not working at the time of the 18-month survey, the most common reasons for not working were transportation problems (22 percent), health problems of their own or a family member (21 percent), child care problems (8 percent), participation in school or training (6 percent), or a recent firing or layoff from a job (5 percent) (not shown). Overall, these reasons were similar for program and control group members. Logistic regression analyses also show that clients who lacked a high school credential or had limited work experience were more likely than others to be unemployed at followup. Younger clients also were more likely than others to have not worked at all during the follow-up period.

- ***Future Steps had no impact on sample members' earnings.***

Earnings were similar for program and control group members during the 18-month follow-up period. The average program group member earned \$568 per month, compared

with \$614 for the average control group member (Table III.2; Appendix C, Table C.4).^{2,3} Findings were comparable, and also insignificant, based on administrative records data (Appendix C, Table C.3).⁴ Like employment rates, the pattern of average monthly earnings for both groups rose during the follow-up period, particularly during the first seven months (Figure III.4). The earnings increase partly reflects sample members' rising employment over the same period. It also reflects the greater likelihood that those with relatively high wages or long hours (or both) would stay employed and that some of those who remained employed would experience an increase in earnings.

Total earnings were low for both groups. Across the 18-month period, average total earnings equaled roughly \$9,000 for both groups (Table III.2). (Overall earnings among those who were employed at some point during the follow-up period were still low—about \$19,000, on average, for the 18-month period.) Overall, the low earnings likely reflect the limited skills of many sample members, along with the relatively limited employment opportunities in southern Illinois.

- ***Job turnover was common, and program group members held more jobs than control group members. However, the job changes the program group made did not reflect a move into better or higher-paying jobs.***

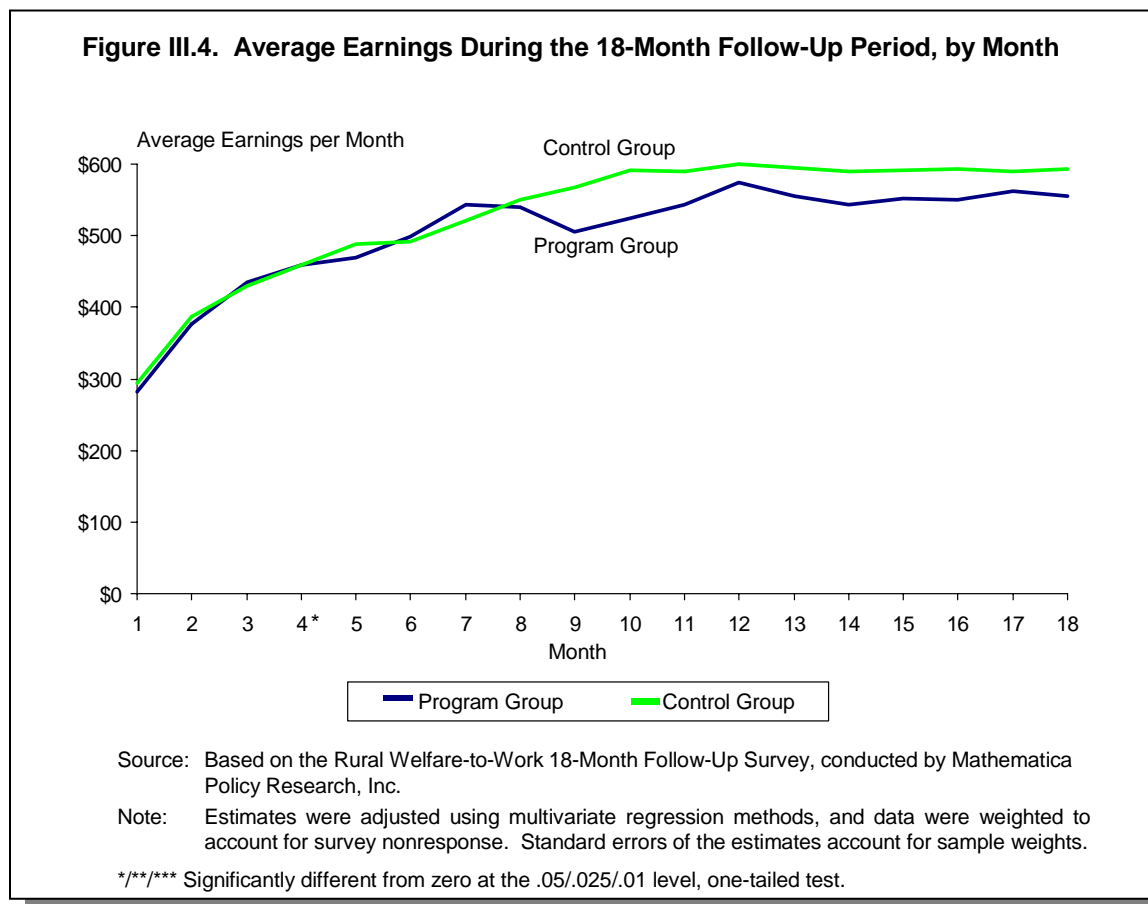
Program group members held more jobs than their control group counterparts during the 18-month follow-up period, and this difference was statistically significant. This may reflect more frequent transitions between jobs for the program group. More than two-fifths (44 percent) of program group members, compared with one-third of control group members, held two or more jobs during the follow-up period (Table III.2). Moreover, working program group members held their current or recent job for less time, on average, than their control group counterparts—12 months versus nearly 15 months (Table III.3). These findings may partly reflect the better, more frequent job placement information to which program group members had access.⁵

² Earnings for each of the months during the follow-up period were constructed based on information collected through the survey on job start and stop dates, the usual number of hours and days worked per week, and the hourly wage rate.

³ The average amount includes all sample members, whether or not they had earnings during the follow-up period. More than one-fifth (22 percent) of the sample earned \$0 during the follow-up period. During the 18th month after random assignment, 46 percent of the sample earned \$0.

⁴ When converted into average monthly earnings, the average quarterly earnings based on administrative records data were, not unexpectedly, substantially lower for both program and control group members than the estimated earnings based on survey data. Although the reported administrative wage data represent accurate information on earnings reported by employers, the reporting is not comprehensive, as the administrative data exclude out-of-state earnings, self-employment, and informal jobs that are unreported.

⁵ The Future Steps program may have had either a direct or indirect influence on helping sample members learn about and obtain jobs. However, program and control group members reported using similar methods to find jobs. About two-fifths of both groups (38 percent of program and 43 percent of control group members) learned about their current or most recent job by contacting the employer directly, filling out



The job changes that program group members made neither reflected a move into better jobs nor translated into wage or job advancement gains. As described below, wages during the follow-up period were comparable for program and control group members, as were the fractions of employed program and control group members who received fringe benefits through their jobs (Table III.3). Moreover, about one-tenth of both program and control group members (11 and 9 percent, respectively) reported either being promoted to a position with higher pay and greater responsibilities at their current or most recent employer, or thinking that they were likely to be promoted to such a position in the next year (not shown).

(continued)

applications, or sending in resumes. Similarly, two-fifths (40 percent) of program group members, compared with 34 percent of control group members, learned about their job through a friend or relative. A small fraction of both groups (eight percent of program group members and five percent of control group members) reported learning about their current or most recent job through a welfare or employment agency or a school-based employment center. None of these program versus control differences was significant.

Table III.3. Characteristics of the Current or Most Recent Job, for Sample Members Who Were Employed During the Follow-Up Period

Outcome (Percentages) ^a	Program Group	Control Group
Hourly Wage Rate		
Less than \$5.00	9.8	9.8
\$5.00 to \$6.99	51.7	42.1
\$7.00 to \$8.99	27.2	31.3
\$9.00 or more	11.3	16.8
(Average hourly wage)	\$6.78	\$6.96
Usual Hours Worked per Week		
Less than 20	7.5	13.1
20 to 29	16.6	13.7
30 to 34	12.7	14.4
35 to 44	47.4	46.6
45 or more	15.8	12.3
(Average hours per week)	36.1	34.9
Monthly Earnings		
Less than \$600	18.8	20.1
\$600 to \$999	33.1	30.5
\$1,000 to \$1,399	27.5	29.8
\$1,400 to \$1,799	12.1	13.3
\$1,800 or more	8.6	6.4
(Average monthly earnings)	\$1,082	\$1,056
Fringe Benefits		
Health insurance	48.7	45.5
Paid sick leave	23.8	27.9
Paid vacation	41.6	42.2
Paid holidays	42.9	45.5
Dental benefits	28.6	31.0
Retirement or pension benefits	25.3	32.6
Number of Months on Job		
1 to 3	22.7	21.6
4 to 6	19.9	17.8
7 to 12	27.0	20.8**
13 to 18	17.7	14.2
More than 18 months	12.7	25.6**
(Average months)	12.2	14.8
Sample Size	193	212

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aAbout one-quarter of both the program and control groups did not work during the follow-up period. Since these cases are not included in this table, we do not report estimated impacts for these outcomes. However, we do report statistically significant differences between the two groups:

*/**/*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

-
- ***Both program and control group members held similar, low-wage jobs. Their jobs were low-paying compared with other low-income workers nationally and in the state of Illinois.***

Wages are one of the strongest indicators of job quality. Among employed program group members, the average wage in their current or most recent job was \$6.78, which was comparable to the \$6.96 earned by control group members (Table III.3). The average program group member earned \$1,082 per month; earnings for control group members were similar (Table III.3). Future Steps clients earned relatively low wages compared with other groups of low-wage workers nationally and in the state of Illinois. A study of welfare leavers in eight states showed that the average hourly wages for welfare recipients about 12 months after leaving welfare ranged from \$7.95 to \$9.26, with an average wage of \$8.36 in Illinois (Acs and Loprest 2001).⁶ This disparity likely reflects the limited employment opportunities available in southern, rural Illinois.

Program and control group members held comparable jobs (Table III.3; Appendix C, Table C.5). Most worked in service jobs (such as in the health and food sectors) or held production or trade-related positions. The average program group member worked 36 hours per week in his or her current or most recent job. The jobs they held offered relatively few fringe benefits. For instance, only half of working program group members were in jobs that offered health insurance, and about one-quarter held jobs that offered paid sick leave. These fractions were similar for control group members. Nearly two-fifths of both program and control group members worked evenings or nights or in jobs with variable, rotating, or irregular shifts. Dependable child care can be more difficult to find during these nonstandard work hours.

CHANGES IN WELFARE DEPENDENCE AND SELF-SUFFICIENCY

Future Steps was designed to reduce welfare dependence and improve the self-sufficiency of its clients by supporting their efforts toward employment and ongoing labor market success, and helping them address challenges in their lives. In this section, we summarize program impacts on public assistance, income, and self-sufficiency during the 18-month period after clients were randomly assigned to the Future Steps program or the control group.

- ***A year and a half after random assignment, the program had not led to significant reductions in the receipt of TANF, food stamps, or other forms of public assistance.***

Similar fractions of program and control group members reported receiving TANF, food stamps, and other types of public assistance during the month before the 18-month

⁶ We converted the average hourly wage estimates from Acs and Loprest (2001) into 2003 dollars (from 2000 dollars). The majority of sample members in the Future Steps evaluation reported wages in 2003 dollars.

follow-up survey (Table III.4). More than 8 in 10 sample members received some form of public assistance during the month before the survey. Relatively few received TANF, however: on the survey, only about one in seven of both program and control group members reported that they had received TANF during the previous month. A much higher fraction—about three in four of both groups—reported receiving food stamps during the month before the survey. Small fractions received other types of public assistance—for example, about one in eight received Supplemental Security Income or Disability Insurance.

We also examined TANF and food stamp receipt throughout the 18-month follow-up period. From the start to the end of the follow-up period, the fraction of sample members who received TANF and food stamps changed only modestly, with comparable overall rates of decline for the two groups. For example, the fraction that reported that they had received TANF during the month before the 18-month survey was about two percentage points lower than at baseline for both program and control group members (not shown). The survey findings for food stamps, as well as findings for TANF and food stamps based on administrative records data, were generally equivalent and followed a comparable pattern (Appendix C, Tables C.6 and C.7). Using the administrative data, we also examined the fraction of sample members who received TANF and food stamps *at any point* during the 18-month follow-up period, finding no significant reductions in the fraction of program group members who depended on public assistance (Appendix C, Table C.8).⁷

In addition to TANF and food stamps, we examined whether the fraction that claimed the federal Earned Income Tax Credit (EITC) was different for the program and control groups. The EITC is an important source of assistance for working families. Given that Future Steps advised clients on a wide range of economic and personal issues, we wanted to explore whether a higher fraction of program group members had received the EITC. Through an analysis based on several survey questions, we estimated that a similarly large fraction of both groups had received, or were likely to have received, the EITC during the most recent tax year (70 percent of program group members, compared with 67 percent of control group members) (not shown).⁸ According to our estimates, among program and control group members who did not receive the EITC, about one-third of both groups were likely to have been eligible for it.

⁷ About one-third (32 percent) of program group members, compared with 28 percent of control group members, received TANF at some point during the 18-month follow-up period (Appendix C, Table C.8). This difference was not significant.

⁸ We considered a sample member likely to have received the federal EITC if they reported receiving or applying to receive it or if three conditions were met: (1) the estimated annual household earnings of the sample member were below the EITC limit, factoring in differences by family size; (2) someone else had prepared the sample member's tax return; and (3) the sample member had received a federal refund.

Table III.4. Participation Rates in TANF, Food Stamps, and Other Public Assistance Programs During the Month Before the 18-Month Survey

Outcome (Percentage Received) ^a	Program Group	Control Group	Estimated Impact
Temporary Assistance for Needy Families (TANF)	14.3	13.1	1.3
Food Stamps	75.6	71.5	4.0
Women, Infants, and Children (WIC)	29.6	28.0	1.6
Supplemental Security Income or Disability Insurance	13.8	13.3	0.5
Social Security	3.7	6.4	-2.7
Unemployment Insurance	5.9	4.8	1.1
General Assistance	2.7	2.3	0.3
Other Public Assistance	1.3	1.4	-0.1
Any Public Assistance (Any of the Above) ^b	84.2	82.1	2.2
Sample Size	252	268	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aThe outcome measures represent the percentage of sample members whose household received the benefit during the month before the 18-month follow-up survey. The month before the survey represented a different number of months after random assignment for different clients. For example, for some clients, the month before the survey represented 18 months after random assignment. For others, it represented from 19 to 23 months after random assignment.

^bReceipt of foster care assistance is also represented in this aggregate category. However, the point estimates for the receipt of foster care assistance were too small to report.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

- ***The program had no effect on household income or poverty. At the 18-month followup, more than two-thirds of program group members lived in households whose monthly income was below the federal poverty level.***

On average, program group members had household income totaling \$1,244 during the month before the survey. This amount was not significantly different from the control group's total household income (\$1,285) (Figure III.5). Our estimate of household income is derived from three primary sources of income during the month before the survey: (1) client's own earnings; (2) other private income sources (primarily, earnings of other adults in the household); and (3) public assistance (primarily, food stamps and TANF).

Program and control group members each relied on three main sources of income: their earnings, food stamps, and earnings from another adult in the household (Figure III.5, Table III.5). On average, sample members' own earnings represented only about one-third of total income during the month before the survey. (About half of all sample members had their own earnings at that time [Appendix C, Table C.9]). The largest component of income was public assistance. Well over two-fifths of the average monthly income was derived from different forms of public assistance, with the value of food stamps representing more than one-quarter for both program and control group members. Finally, nearly one-quarter of average monthly income represented earnings from other private income sources, such as earnings of a spouse, partner, or another adult in the household. About one in seven sample

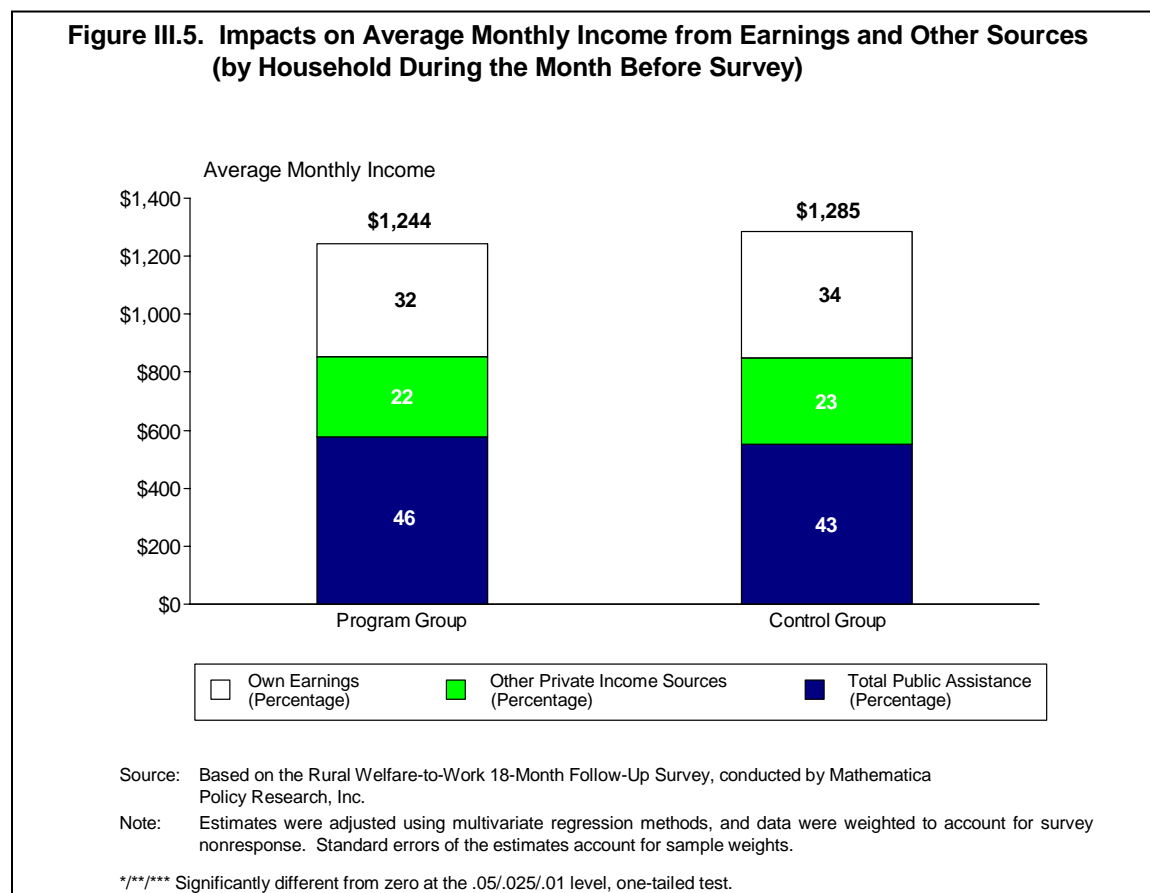


Table III.5. Impacts on Monthly Income Sources

Outcome	Percentage of Total Income from Source ^a		
	Program Group	Control Group	Estimated Impact
Own Earnings	31.5	34.4	-2.8
Other Private Income Sources	22.0	23.2	-1.1
Spouse or Partner's Earnings	7.3	7.5	-0.2
Other Household Members' Earnings	9.7	10.5	-0.8
Earnings from Informal/Odd Jobs ^b	1.5	1.4	0.1
Child Support	1.7	1.8	-0.1
Other Private Income Sources	1.8	2.0	-0.2
Total Public Assistance	46.5	42.5	4.0
TANF	4.8	3.3	1.4
Food Stamps	28.8	27.7	1.2
WIC	2.4	1.7	0.7
SSI	6.0	4.7	1.3
Social Security	0.7	1.6	-0.9
Unemployment Insurance	2.9	1.9	1.0
General Assistance	0.8	0.8	0.0
Foster Care	0.0	0.3	-0.3
Other Governmental Assistance	0.1	0.5	-0.4
Total Income (All Sources)	100.0	100.0	
Sample Size	245	259	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

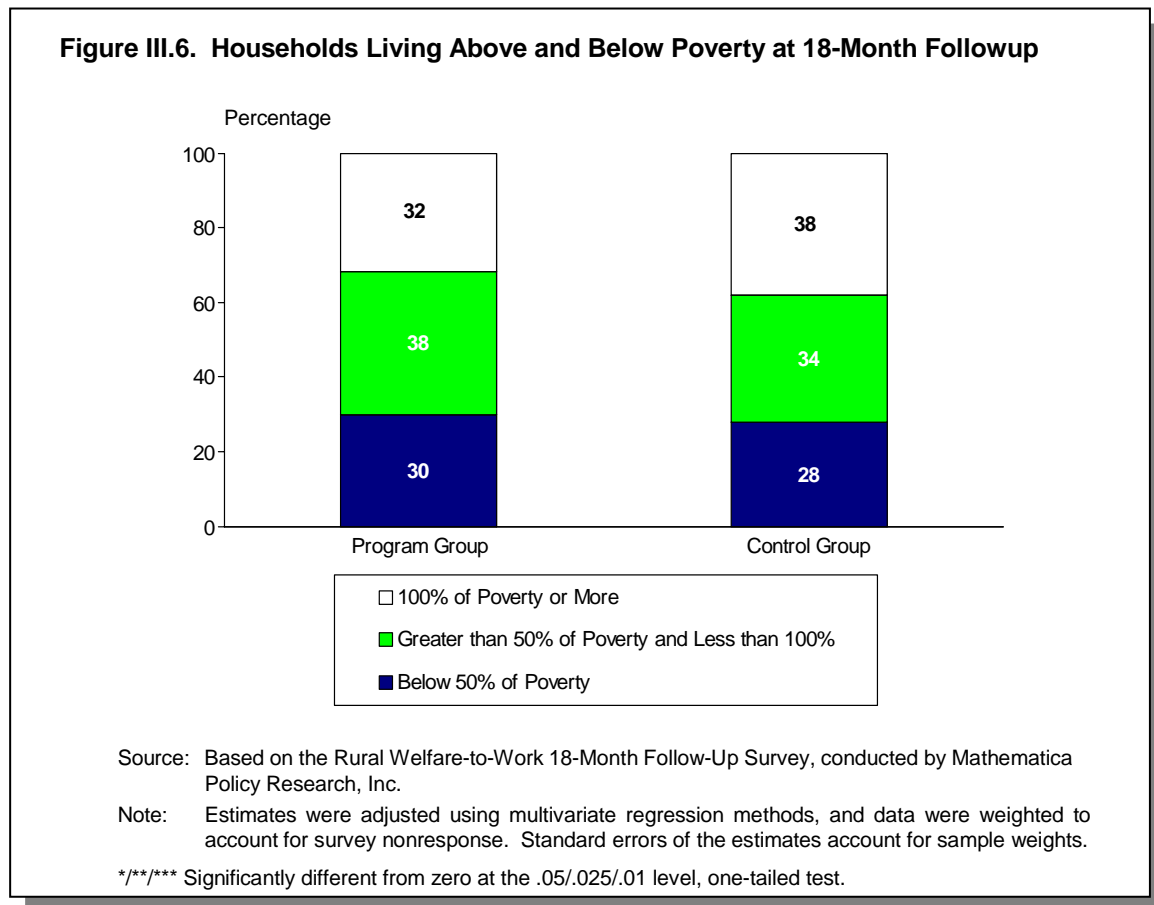
^aBy household, during the month before the 18-month follow-up survey. The month before the survey represented a different number of months after random assignment for different clients. For example, for some clients, the month before the survey represented 18 months after random assignment. For others, it represented from 19 to 23 months after random assignment.

^bEarnings from informal or odd jobs may have been jobs held by either the sample member or another adult household member.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

members reported earnings from a spouse or partner during the month before the survey, while about one in six reported earnings from another adult in their household, such as a parent, sibling, or friend (Table C.9).⁹

Overall, two-thirds of program group members were poor at the time of the survey. That is, two-thirds had household income during the month before the survey that was below the federal poverty guidelines for the size of their household (Figure III.6).¹⁰ Many were in extremely poor households: 3 in 10 program group members had household income less than 50 percent of the poverty level. The overall poverty rate was a bit lower for control group members, though the difference was not statistically significant.



⁹ There were no significant differences in the household composition of program and control group members at either baseline or followup. However, at the time of the 18-month followup, a smaller fraction of both program and control group members reported that they were living as a single-adult household. This may partly reflect the downturn in the local economy during the follow-up period. At followup, 42 percent of all sample members were living as a single-adult household, 31 percent with a spouse or partner, and 27 percent with another adult.

¹⁰ The poverty levels we report are based on U.S. Department of Health and Human Services federal poverty guidelines for year 2003. For instance, based on these guidelines, a family of three is considered to be in poverty if its monthly income is below \$1,272 (\$15,260 on an annual basis), and a family of four is poor if its monthly income is below \$1,533 (\$18,400 on an annual basis).

IMPACTS ON WELL-BEING AND QUALITY OF LIFE

Future Steps was intended to improve clients' life skills, reduce challenges they faced, and increase their personal well-being. Program designers anticipated that these short-term outcomes would, in turn, prepare clients to get and keep jobs, advance in employment, and make progress toward self-sufficiency. In this section, we examine impacts on personal and family functioning and quality-of-life outcomes.

- ***In terms of personal functioning, program group members scored significantly higher than control group members on scales that measured self-efficacy and orientation toward the future.***

To assess differences in the personal functioning and attitudes of program and control group members at the time of the 18-month followup, we asked a series of questions to measure self-efficacy, self-esteem, and future orientation (Table III.6). We used the Pearlin Mastery Scale to measure self-efficacy, or individuals' sense of their ability to control their life and manage the responsibilities, challenges, and opportunities that are a part of it (Pearlin and Schooler 1978). We used three questions drawn from the Rosenberg Self-Esteem Scale to examine self-esteem (Rosenberg 1989). Finally, to examine sample members' outlook toward the future (their "future orientation") we pooled responses to three questions. Overall, sample members' scores on these personal functioning scales were quite positive, with the average response to nearly all of the questions in the most positive quartile.

Program group members were significantly more likely than their control group counterparts to respond positively on the self-efficacy and future orientation questions, suggesting that the program did help strengthen clients' motivation toward the future, as well as confidence about their abilities to achieve their goals. In measuring self-efficacy, for example, program group members were significantly more likely to agree that "I can do anything I set my mind to" and significantly more likely to disagree that "There is no way I can solve some of the problems I have" (Table III.6). Similarly, program group members were more likely than control group members to agree that "I have a plan for the future" and that "I am confident that I will be able to reach my goals." These findings were consistent with reports from many focus group participants (discussed in Chapter II) that Future Steps had helped to strengthen their motivation and self-confidence and to give them a sense of control over their lives. Although Future Steps had no effect on employment, earnings, and welfare dependence, these findings show that the program was successful at helping participants feel good about their personal abilities and efforts.

- ***Hardships were similarly pervasive for program and control group members.***

During the same time that sample members were preparing for work, getting jobs, and building labor market experience, most also faced substantial obstacles and hardships. Half of both program and control group members faced three or more serious personal or logistical challenges during the follow-up period (Figure III.7). These challenges can make it

Table III.6. Clients' Self-Efficacy, Self-Esteem, and Future Orientation at the Time of the 18-Month Follow-Up Survey

Characteristic ^a	Program Group	Control Group	Estimated Impact
Self-Efficacy or Sense of Control (Out of 28)	22.1	21.4	0.6**
There is no way I can solve some of the problems I have	3.0	2.8	0.2**
I feel that I am being pushed around in life	3.0	3.0	0.0
I have little control over the things that happen to me	3.1	3.0	0.1**
I can do anything I set my mind to	3.4	3.3	0.1***
I feel helpless in dealing with the problems in my life	3.1	3.0	0.0
What happens to me in the future depends on me	3.4	3.4	0.1
There is little I can do to change the important things in my life	3.1	3.1	0.0
Self-Esteem (Out of 12)	9.5	9.4	0.1
I am able to do things as well as most people	3.3	3.2	0.1
I certainly feel useless at times	2.8	2.8	0.0
All in all, I am inclined to feel that I am a failure	3.3	3.3	0.0
Future Orientation (Out of 12)	10.1	9.8	0.3**
I have a plan for the future	3.3	3.2	0.1*
I am confident that I will be able to reach my goals	3.3	3.2	0.1*
I feel I am responsible for my future and my child(ren)'s future	3.5	3.4	0.1*
Sample Size	252	268	520

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aAll of the characteristics are based on Lickert scales that measured whether sample members “strongly agree,” “agree,” “disagree,” or “strongly disagree” with each statement. Each statement has a maximum value of four. For the sake of consistency, each statement was scored in a positive manner. For example, a score of 3.0 for the statement “I feel that I am being pushed around in life” means that the average client “disagrees” with this statement. In contrast, a score of 3.0 for the statement “I can do anything I set my mind to” means that the average client “agrees” with the statement. The statements were then summed to calculate the aggregate measures for self-efficacy, self-esteem, and future orientation.

/*** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

more difficult not only to get a job, but also to stay employed and achieve self-sufficiency. Table III.7 highlights the prevalence of a wide range of challenges that Future Steps might have reasonably been able to influence through its case management services.

Despite the emphasis of Future Steps on helping clients address individual barriers to work, similar fractions of program and control group members faced challenges during or near the end of the 18-month follow-up period. Logistical challenges, in particular, were prevalent for both program and control group members, despite the significant role of Future Steps in helping many clients with, and providing supportive service payments for, child care and transportation (Table III.7). At the time of the 18-month followup, more than half of program group members (51 percent) reported that they had faced transportation problems during the past six months that had made it difficult for them to find and keep a job or participate in work activities. Similarly, more than two-fifths (42 percent) of program group members reported child care problems during the same time frame. The ongoing logistical problems that many clients faced suggest that the program was not able to address clients' logistical needs in a systematic or lasting way.

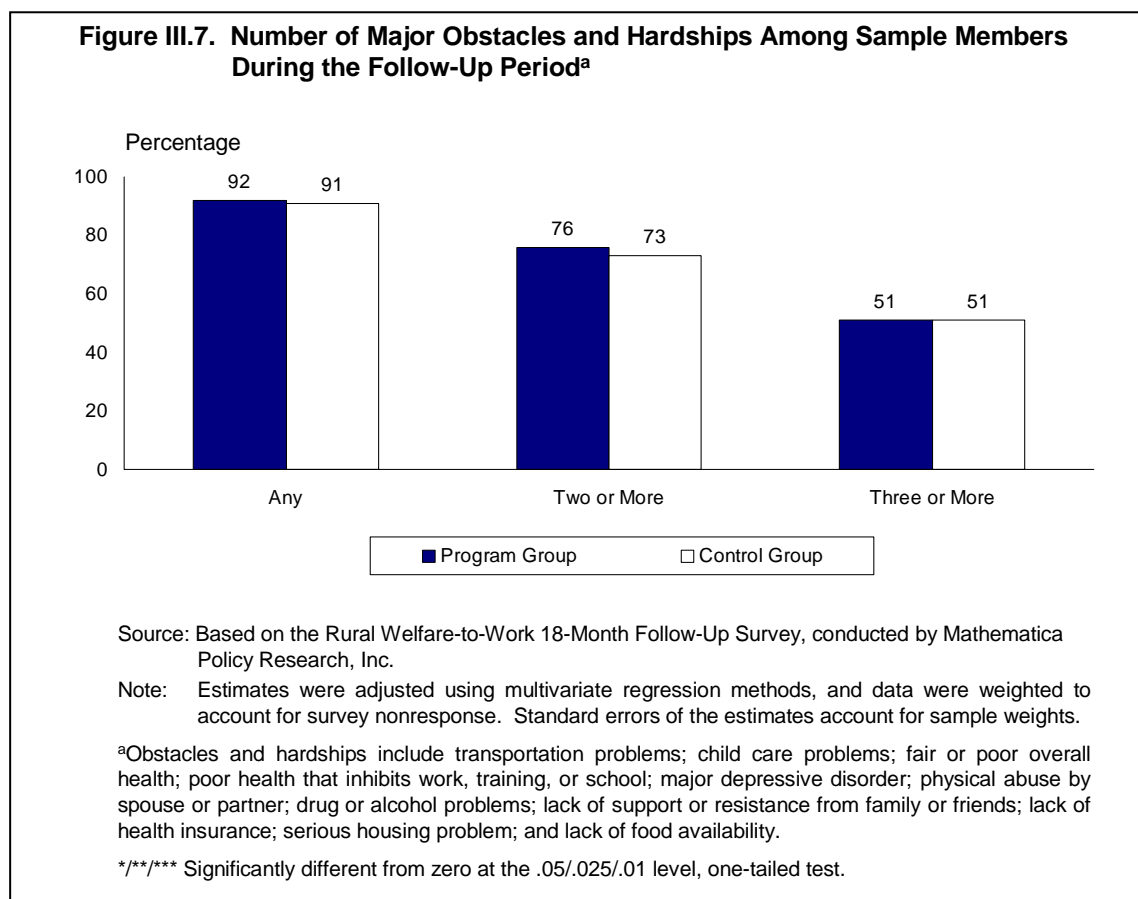


Table III.7. Differences in the Prevalence of Obstacles and Hardships at the 18-Month Followup

Characteristic	Program Group	Control Group	Difference
Health Problems or Issues^a			
Overall health is fair or poor	29.5	31.5	-1.9
Poor health inhibits work, training, or school	25.2	24.4	1.8
Physical disability or illness	17.3	19.4	-2.1
Major depressive disorder	22.7	19.8	2.9
Other Personal Challenges that Hindered Work^b			
Lack of support or resistance to working from family/friends	15.2	18.1	-2.8
Physical abuse by spouse or partner	3.0	3.3	-0.3
Drug or alcohol problems	1.3	2.7	-1.5
Logistical Obstacles That Hindered Work^b			
Transportation problems	51.1	47.7	3.4
No access to a vehicle or no driver's license	37.5	33.6	3.9
Child care problems	42.1	49.0	-7.0
Lack of Health Insurance Coverage			
Uninsured at followup	39.0	40.0	-0.1
Sometimes uninsured during follow-up period	56.6	53.4	3.2
Children uninsured at followup	8.0	4.8	3.2
Children sometimes uninsured during follow-up period	12.8	8.8	4.0
Housing Issues^c			
Lived in public or subsidized housing	24.4	27.5	-3.2
Could not pay rent or mortgage	40.1	39.6	0.5
Evicted from home or apartment	7.6	8.9	-1.3
Could not pay utility bill	43.4	41.4	2.0
Had utility turned off	23.7	20.9	2.8
Homeless or lived in a shelter	9.5	9.7	-0.2
Any serious housing problem	29.6	26.2	3.4
Food Availability^d			
Food was often or sometimes not available	46.1	49.1	-2.9
Sample Size	252	268	520

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aThe health measures (other than major depressive disorder) represent sample members' self-reported health status at the time of the survey. Major depressive disorder represents the prevalence of major depression during the past 12 months, as measured by the World Health Organization's Composite International Diagnostic Interview Short-Form (CIDI-SF) (Kessler et al. 1998).

^bOther personal challenges and logistical obstacles were those that, in the six months before the survey, sample members said made it difficult for them to find and keep a job or participate in work-related activities. In particular, for child care problems, sample members were asked if they had any of five different types of problems or concerns during the past six months that made it difficult for them to work or prevented them from working. In addition, clients' access to a vehicle or possession of a driver's license was measured at the time of the 18-month survey.

^cHousing issues were those occurring at any time during the 18-month follow-up period. Clients with any serious housing problem had at least one of the following problems during the 18-month follow-up period: evicted from home or apartment, had utility turned off, or had been homeless or lived in a shelter.

^dFood availability issues were those occurring at any time during the 18-month follow-up period. In particular, food availability was measured by how frequently "the food that (a sample member's household) bought did not last and (they) did not have money to get more."

*/**/** Differences between the program and control groups are statistically significant at the .05/.025/.01 level, one-tailed test.

Personal challenges related to health were considerable for a large minority of sample members. One-quarter of program group members reported that their poor health inhibited their ability to do certain types or amounts of work, training, or school. In particular, nearly one-fifth (17 percent) of program group members reported a physical disability or illness, and nearly one-quarter (22 percent) were classified as having had major depressive disorder during the past 12 months.¹¹ The prevalence of these health-related challenges among the Future Steps population is generally consistent with national- and state-level estimates of the prevalence of similar challenges among the welfare population (Olson and Pavetti 1996; Johnson and Meckstroth 1998; Loprest 1999; and Meckstroth et al. 2002).¹² Exacerbating the health challenges that many Future Steps clients faced, nearly two-fifths (39 percent) were uninsured at followup, and close to three-fifths (57 percent) had been uninsured at some point during the follow-up period.

Both program and control group members faced other hardships that also indicate a high level of personal and family need. Table III.7 shows that more than one-quarter of the sample faced a serious housing problem at some point during the follow-up period. In addition, close to half reported that food was often or sometimes not available to them or their household during the follow-up period.

DIFFERENCES IN PROGRAM IMPACTS FOR KEY SUBGROUPS

Although Future Steps had no overall impact on key economic outcomes, we conducted subgroup analyses to examine whether the program was effective for certain subgroups of the target population. At the evaluation's outset, we knew that the subgroup analyses would be somewhat limited by sample size. We hoped, however, that by examining patterns of subgroup effects we would enhance our understanding of the Future Steps program experience and how it may have affected client outcomes. Given the implementation and contextual issues described in Chapter II, we focused our analyses on two key subgroups defined by clients' (1) period of program enrollment (or year of program participation), and (2) level of employability. First, we reasoned that a subgroup analysis by the period of enrollment might help isolate the effects of the implementation challenges that occurred during the program's second year. Second, we believed that separate analyses for clients

¹¹ Major depressive disorder represents the prevalence of major depression during the past 12 months (a major episode of depression lasting two or more consecutive weeks), as measured by the World Health Organization's Composite International Diagnostic Interview Short-Form (CIDI-SF) (Kessler et al. 1998). This battery of questions was included as part of the 18-month follow-up survey.

¹² The prevalence of drug or alcohol problems and physical abuse by a spouse or partner, as shown in Table III.7, are quite a bit lower than has been shown in other studies. This is not surprising, given the survey questions we used to measure these problems. Due to the length of the survey interview, we were only able to ask one question to measure each problem, rather than using a more extensive and well-tested battery of questions.

who were relatively more or less employable might be useful in understanding how to target future program services.¹³

- ***Future Steps was better implemented during its first year. Although the findings show hints of better program effects for clients served during this year, the program-control differences were insignificant and very small.***

During the demonstration's first year (as described in Chapter II), program implementation and service delivery were stronger and more consistent with the original Future Steps model and vision. The departure of the program director and other staff during the demonstration's second year diluted program operations and halted efforts to develop customized, employer-focused job trainings. In addition, budgetary pressures that IDHS and SCC faced during the second program year exacerbated the effects of the staff turnover.

Because of the stronger implementation during the program's first year, we hypothesized that outcomes would be better and impacts would be greater for program group members served during the first half of the demonstration.¹⁴ Indeed, a higher fraction of the group served during the first year reported receiving employment preparation and other services, compared with their program group counterparts served during the second year (Appendix C, Table C.10). Moreover, consistent with our expectation, the significant program versus control group differences in service use (described earlier in this chapter) were much more pronounced for the group of clients randomly assigned during the first half of the demonstration (Table C.10).

Nevertheless, despite stronger program implementation and greater service use for the first-year program group members, there was no evidence that Future Steps improved employment and earnings and reduced welfare dependence for this group. Although the pattern of the findings shows hints of better program effects on economic outcomes for first-year program group members than for their control group counterparts, the differences were statistically insignificant and very small. (Appendix C, Table C.11 summarizes these findings using both survey and administrative records data.)

¹³ We also conducted analyses of several other sets of subgroups. We examined impact findings by (1) household type (single parents versus all other household types), (2) race/ethnicity, (3) sex (for females only, given the small sample size for males), and (4) relevant groups of counties. The impact findings for key outcomes for these groups were neither significant nor informative.

¹⁴ The program was implemented during the two-year period from July 2001 to September 2003, and random assignment and program enrollment were conducted during the 18-month period from July 2001 to December 2002. We examined impacts separately for program and control group members who were randomly assigned during the first half of the 18-month sampling period (July 2002 to March 2002) and for those who were randomly assigned during the second half of the period (April 2002 to December 2002). Program group members who enrolled during the first half of the demonstration were served most intensively during the first program year (July 2001 to June 2002), while those who enrolled during the second half were mostly served during the second program year (the 15-month period from July 2002 to September 2003).

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- ***There was no evidence that Future Steps improved employment, earnings, or self-sufficiency for either more employable or less employable clients.***

By design, Future Steps services focused most on employment-related services and logistical supports that are closely linked to employment. As described in Chapter II, employment-related assistance, such as job search and job placement assistance, was the most common type of program service clients received. Clients were also more likely to have received assistance accessing logistical supports like child care and transportation than they were to have received personal and family services.

Given the employment focus of the program, we hypothesized that impacts on key outcomes might be different for individuals who, at the time of their enrollment, were relatively more or less prepared for employment (“more employable” versus “less employable”). We characterized sample members as *less* employable if they met at least one of the following three criteria: (1) did not have a high school diploma or GED, (2) had a health-limiting condition at the time of random assignment, or (3) had received TANF for one or more years during their lifetime.¹⁵ In contrast, more employable clients did not meet any of these three criteria. Nearly three-fifths (58 percent) of the Future Steps sample were considered less employable, while two-fifths (42 percent) were more employable.

The program appeared to provide services to clients based on their need. Trends in service use data show, for example, that the significant difference in the fraction of program and control group members who received job search and job placement assistance was much more pronounced for the *more* employable clients, who were relatively more prepared to move directly into employment (Appendix C, Table C.12). In addition, the *less* employable clients were significantly more likely than their control group counterparts to receive job readiness training and to participate in education and training as a way of building skills and preparing for employment (Table C.12).

Despite such targeting of services, there were no significant improvements in employment and earnings for either the more or less employable clients. Appendix C, Table C.13 summarizes the findings using both survey and administrative records data. Overall, based on a synthesis of the survey and administrative records data, impacts for employment and earnings were not significant, and the pattern of the point estimates did not suggest that the program might be more appropriate for either the more or less employable clients.

There was also no evidence of improvement in the level of self-sufficiency for either the more or less employable clients. For measures of welfare dependence, the administrative records analysis did show that a significantly smaller fraction of the more employable

¹⁵ Clients with a health-limiting condition were those who responded at baseline that they currently had a health problem that limited the kind or amount of work, training, or school work that they could do (problems such as a preexisting medical condition, a physical disability, an emotional or mental condition, or drug or alcohol use), or that someone else in their household had a disability or health problem that made it difficult for them (the sample member) to work, attend training, or go to school.

program group members, compared with their control group counterparts, relied on TANF *at some point* during the follow-up period (Table C.13). However, this reduced welfare dependence did not translate into a significantly smaller fraction receiving TANF or living in poverty at the 18-month followup.¹⁶ In the next chapter, we discuss the implications of the findings for designing, implementing, and testing welfare-to-work programs in rural areas.

¹⁶ The findings also showed that the less employable clients in the program group were *more* likely than their control group counterparts to have received TANF, and to have received it for a longer time, during the follow-up period. This suggests that the program, because it had relatively frequent contact with clients, helped needy clients obtain the TANF benefits for which they were eligible.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS: IMPROVING PROGRAM INNOVATION IN RURAL AREAS

The Rural Welfare-to-Work (WtW) Strategies Demonstration Evaluation is a rigorous experiment of promising employment strategies in rural America. The demonstration arose in response to a lack of evidence about how to meet the unique needs of low-income workers in rural areas as they progress toward economic independence. This report examined the impacts of Future Steps—a promising case management program in rural Illinois—on the employment, earnings, welfare dependence, and well-being of work-ready low-income people, including those receiving Temporary Assistance for Needy Families (TANF) or food stamps. Similar case management models have been tested and shown to not be effective in urban areas. Future Steps was an improvement on previous models, however, and viewed as potentially effective in rural Illinois, for several reasons. The model (1) responded to the scarcity of services and jobs by teaming the welfare agency with a regional community college, (2) drew on the local connections of program staff, and (3) provided very small caseloads.

Despite the promise of Future Steps, there is no evidence that it improved employment, earnings, and self-sufficiency among low-income clients in rural Illinois. Our evaluation did show that the core Future Steps case management model was implemented largely as intended. Many clients received services at a substantial level of intensity and over an extended period, and program group members received significantly more services than control group members. Nevertheless, the greater service use did not translate into positive impacts on key economic outcomes. Although the findings show hints of better program effects on economic outcomes for clients who enrolled and were served during the program's better-implemented first year, the magnitude of the effects was insignificant and very small. There also was no evidence of program impacts for subgroups of clients defined by how employable they were when they enrolled.

Regardless of the absence of program impacts in this Rural WtW evaluation of Future Steps, the evaluation findings still offer informative, useful lessons to shape future policy and

program efforts. In this last chapter, we start by examining potential reasons for the lack of program impacts. We then present lessons relevant for implementing programs in a rural welfare-to-work context. Next, we offer recommendations for designing future programs in rural areas. Finally, we give suggestions for making future evaluations of rural programs as useful as possible.

POSSIBLE REASONS FOR THE LACK OF PROGRAM IMPACTS

Three factors might help explain why Future Steps did not have impacts. The first two relate to shortcomings in implementing program services. The third factor, and likely the more important, relates to inadequacies in the scope of the program intervention, as designed. Each factor might have weakened the ability of Future Steps to effect an overall change in clients' employment status and self-sufficiency.

- ***Although many clients received substantial services, some received few services or insufficient ones. This pattern partly reflects the limited training and support given to career specialists, who varied in skills and initiative.***

The basic Future Steps case management model was reasonably well implemented. Gaps existed in the program's coverage of clients, however, and these gaps might have weakened the program's ability to change client outcomes. About two-fifths of clients received substantial services over an extended period. About one-fifth, however, had little contact with career specialists (case managers) and the rest received services at a level that may not have gone far enough in connecting them to jobs or helping them overcome challenges. Indeed, on the 18-month follow-up survey, even though service use differences between program and control group members were significant, many clients during both the first and second years of the program reported that they had *not* received key types of services. Some who did not receive services may not have wanted or needed them. Career specialists may not have been able to reach others, however, or help them in a meaningful way. Service use was particularly low among clients who were never employed during the follow-up period, suggesting that the program might have done more to help these clients secure gainful employment.

Future Steps expected a great deal of its career specialists, but it did not prepare or support them at a level commensurate with the high expectations. Although the Future Steps career specialists were dedicated, caring, and hard-working professionals who delivered substantial services to many clients, the incomplete coverage of clients partly reflects the limited training, guidelines, and support they received from the program. The career specialists as a group had limited education and experience at the outset of the demonstration. They also varied in their skills and level of initiative in leveraging their community knowledge and connections to help clients. As discussed in the next section, increasing career specialist compensation, training, and technical assistance probably would have helped improve their skills and the overall delivery of services to clients. Whether such improvements would have led to significant gains in clients' employment, earnings, and self-sufficiency is uncertain.

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- ***Future Steps was not able to capitalize on the employer connections and job-training resources that its community college partner offered, thus lessening the scope of its job readiness and job placement efforts.***

The infrastructure and expertise of Shawnee Community College (SCC) appeared to benefit Future Steps in several ways. As a regional community college, SCC was a primary provider of education and workforce development services in the region, and local job openings were often listed with the college's placement center. These opportunities were shared with Future Steps participants. The college also offered skill assessment and career-planning tools useful to the program. Moreover, the college's reputation as a well-respected educational institution helped encourage enrollment and reduce the stigma clients might have felt as participants in a welfare-to-work program. To encourage referred clients to come to an initial appointment, career specialists often emphasized the program's affiliation with SCC, downplaying its character as a welfare-related service. Program staff also noted that employers were more likely to respond to inquiries from Future Steps when they were told of the program's affiliation with the college.

Despite these many advantages, Future Steps did not effectively capitalize on the employer connections and job-training resources the college offered. Future Steps had intended, building on the college's vocational-training resources and community connections, to work with local employers to implement customized job-training efforts. This component of the model was not implemented, however. The program had hoped that its employer-focused efforts would help develop job opportunities for clients by preparing them for, and connecting them to, good jobs in the local area. The employer-specific training, as envisioned, would have included work readiness training, life skills building, and job-specific vocational instruction, all of which SCC could help develop and implement. This component was not implemented, partly because Future Steps did not invest adequate time and effort into planning for it and building the employer relationships necessary to support it.

Two factors might have facilitated the implementation of this program component: (1) designating more staff resources for it, and (2) pilot-testing it. First, Future Steps only invested in a part-time program director. Fully capitalizing on the college's connections and resources would have been easier had Future Steps invested in a *full*-time director with more time to devote to bigger-picture program development issues. Alternatively, the program might have designated another staff person, such as a specialized job developer, to lead this component. In addition, if this component had been pilot-tested, as were the other components of the Future Steps model, it would have had a better chance of success.

- ***Regardless of program implementation, basic case management is not likely to be an adequate intervention for improving employment and self-sufficiency in rural areas. Still, it may be an important piece of a stronger intervention.***

The evaluation of Future Steps provided a good test of the effectiveness of basic employment-focused case management in a rural setting. The absence of program impacts

on employment, earnings, and welfare dependence suggests that case managers, no matter how skilled and effective, are limited in what they can help their clients accomplish. If, as in southern Illinois, a local or regional area lacks good jobs, as well as adequate services like child care and transportation, then case management services alone appear unlikely to overcome such limitations. Indeed, the findings indicate that control group members, without the assistance of Future Steps, were just as likely as program group members to secure and maintain the mostly low- and semiskilled jobs that were available. Moreover, given the small and insignificant magnitude of the program versus control group differences in key outcomes, any gains from a better-implemented case management intervention would very possibly still have led only to marginal improvements in the economic prospects of the work-ready population Future Steps targeted.

Overall, the evaluation findings suggest that basic case management services are not likely to be an adequate intervention to address employment obstacles and to help low-income people in distressed rural areas find lasting employment and become self-sufficient. This conclusion supports what other studies have already suggested about employment-focused case management in urban areas (Rangarajan and Novak 1999). The findings appear to suggest a need for additional program elements to help low-income clients in rural areas move to employment and self-sufficiency. As examined below, these program elements may include strategies to (1) build connections with employers to help identify and develop new job opportunities for low-income workers, (2) initiate new economic development opportunities in distressed local and regional economies, and (3) expand needed support services. This conclusion is most relevant for other rural areas that, like southern Illinois, face substantial economic challenges, such as high poverty, high unemployment, and a lack of good entry-level jobs that offer decent wages and a chance for benefits and job advancement. Such disadvantages may be difficult to overcome without expanded services and community development efforts that go beyond case management.

Case management may still be an important component of a stronger intervention, however. Future Steps did offer a useful vehicle for successfully delivering substantial services to many low-income clients in rural areas. Though not large or significant, the magnitude of program effects for clients served during the better-implemented first year was somewhat better. This suggests that a reasonably well-implemented case management program has some promise for delivering useful services in rural areas. Case management services, though not a program solution on their own, may still be a useful way to provide beneficial services to clients, as long as these services are coupled with other efforts that address individual and community employment challenges in a more systemic, substantial way.

LESSONS FOR IMPLEMENTING FUTURE PROGRAMS IN RURAL AREAS

The evaluation findings demonstrate the inherent challenges in helping low-income people in rural areas make the transition to employment and self-sufficiency. In rural labor markets, good jobs are generally scarcer than in urban ones, and services and resources may be more limited. In addition, jobs and services can be more difficult to access because of the geographic dispersion of people and places. Tight-knit local communities can further

impede employment efforts for those with a poor reputation or few ties to a local area. These conditions should be considered in the design and implementation of program models in rural areas. The experiences from the Future Steps evaluation suggest several lessons on program operation and case management service delivery in a rural context. Although the potential effect of these lessons or factors is not known, each may be important for implementing programs in rural areas successfully.

- ***Local staff connections and initiative appear to be important elements of successful service delivery in rural areas.***

The quality of Future Steps services depended a great deal on the capabilities and connections of program staff. The development and early implementation of Future Steps was aided by a dynamic, experienced program director. This director communicated an ambitious vision to other administrators at the college and IDHS and developed connections across the five-county area. The successful day-to-day operation of the program depended largely on the abilities of the local Future Steps career specialists, who worked directly with clients, developed connections with employers and service providers in their county, and helped address clients' individualized needs.

The most capable Future Steps career specialists appeared to be those who were familiar with their communities and able to identify existing employment opportunities and services and make the most of them. Because service providers and employers varied among the counties Future Steps served, it was important for individual career specialists to take the initiative in developing local connections. Such connections helped their efforts to make appropriate referrals for outside services, learn about job openings, actively market clients as good candidates for available positions, and, as appropriate, mediate clients' problems. In using their connections to support and advocate for clients, program staff often played an important role as a personal reference. Vouching for clients may have special value in tight-knit rural communities, where a poor personal or family reputation can negatively affect a person's economic prospects. Such support may make employers more comfortable offering clients a job, can facilitate clients' interactions with other organizations, and can build clients' confidence to continue pursuing employment and other goals.

- ***To promote staff recruitment, retention, and a consistently high degree of skill and performance, an adequate investment in staff compensation is important.***

Program leaders sometimes found it challenging to recruit and retain career specialists with the necessary combination of skills, familiarity with the community, and professionalism. As discussed earlier, career specialists varied in their experience and skill level—for example, in their ability to advocate for clients and leverage available community resources and opportunities on clients' behalf. Staff turnover led to short-term breaks or slowdowns in service delivery, particularly during the program's second year.

It was difficult to recruit highly qualified case management staff because most of the positions were part-time and did not include a full set of employment benefits. Ensuring a

high degree of staff skill and performance for new programs will likely require a higher-level investment in staff, including full-time positions with better compensation.

- ***Careful training, oversight, and ongoing support are essential for staff in dispersed, rural areas.***

To serve a large geographic area, Future Steps career specialists were based in dispersed locations separate from program leaders. As a result, they exercised substantial discretion and autonomy in their daily work. Career specialists independently managed their schedules, prioritized tasks, and acted as representatives of the program in their local community. To work effectively with this level of independence, they had to have a high degree of maturity, professionalism, and self-motivation, as well as broad skills. Although the Future Steps staff were carefully selected, many had limited professional employment experience, and most did not have a college degree.

Training, oversight, and ongoing support from program leaders are particularly important for guiding the work of staff in dispersed locations, especially those with limited professional experience and education. In Future Steps, frequent communication between program leaders and staff was a central element of this support. Future Steps administrators reviewed career specialists' case notes regularly and provided feedback to staff members based on this information. Administrators also used frequent email and telephone communication to support and monitor staff activities.

Program leaders could have done more, however, to ensure that Future Steps services were of consistently high quality and that staff expertise grew. The initial training for Future Steps career specialists was relatively brief and focused largely on administrative issues. The training might have been more valuable if it had been expanded to include more mentoring from experienced staff and a stronger focus on developing community relationships and using local resources. Future Steps career specialists also may have benefited from more structured feedback on their work, as administrators did not provide formal performance reviews. Such a process might have helped administrators identify staff strengths and weaknesses, ensured clear communication between managers and staff, and promoted plans to help staff members improve their skills.

- ***Incorporating performance incentives into agreements with partner organizations may help programs stay focused on goals.***

To ensure successful program implementation, administrators and staff must stay focused on the program's goals and objectives. Performance-based contracting can be a management tool to encourage program staff to meet predetermined goals and objectives, such as those related to job placement, job retention, and the use of supportive service funds. IDHS, in its agreement with SCC to operate Future Steps, did not incorporate performance-based goals or financial incentives. The familiar relationship and past partnership between SCC and IDHS may have precluded the use of performance-based management tools in the Future Steps agreement. In addition, SCC might have been wary

of the inherent risks of participating in a performance-based contract related to Future Steps, especially since Future Steps was not central to its organizational mission or necessary for its revenue base.

For organizations facing resource constraints, as many in rural areas do, performance goals and incentives may help program leaders and staff stay focused on achieving goals. These tools can be particularly useful when, like Future Steps, programs will not be sustained at the end of a funding period. During the demonstration, SCC faced organizational and staffing resource constraints. With increasingly constrained resources, SCC administrators focused most on program efforts that were most central to the college's educational mission. Since Future Steps was not at the heart of SCC's mission, SCC's commitment to the program waned, and it did not use all the available Future Steps resources. This reduced commitment partly reflected the approaching end of the demonstration. If IDHS had incorporated performance incentives or bonuses into its agreement with SCC, however, it may have encouraged SCC's Future Steps staff to stay focused on maintaining the intensity of services and achieving all the goals of the program.

IMPLICATIONS FOR DESIGNING WELFARE-TO-WORK PROGRAMS IN RURAL AREAS

One of the fundamental goals of the Rural WtW demonstration is to identify program strategies that policymakers should consider in designing future welfare-to-work programs. The absence of impacts in this evaluation of Future Steps implies a need for stronger interventions that target low-income workers in rural areas. We highlight several program strategies below that may help strengthen future welfare-to-work interventions in rural areas. Interventions that include one or more of these strategies may be good candidates for further evaluation, as their potential effectiveness is uncertain.

- ***Building linkages with employers to promote job opportunities may take on added importance in rural areas with few good jobs. Involving job developers in program efforts may be essential.***

By working collaboratively with employers, welfare agencies and their programs may help to identify and develop good job opportunities for their clients, and help prepare and train clients for jobs. Many welfare-to-work programs, including Future Steps, have found that developing employer linkages is challenging (for example, the GAPS and PESD postemployment programs—Wood and Paulsell 2000 and Rangarajan and Novak 1999, respectively). At a minimum, creating beneficial opportunities for welfare agencies, other service providers, and employers requires thoughtful planning and a substantial investment of time and effort. Prospective employers must perceive benefits in working collaboratively with a welfare agency. Like other employers, employers of low-income workers are concerned with employees' work attitudes, dependability, and stability; in particular, many are skeptical about the work readiness and life skills of welfare recipients (Long and Ouelette 2004). These concerns, which often are barriers to hiring and retaining welfare recipients and other entry-level workers, could be addressed through closer collaboration, training, and job development efforts that involve both service providers and employers.

Developing relationships with employers and job opportunities for clients may require an investment in specialized job development services. Welfare and workforce agencies may have more success in collaborating with employers if they hire or contract with professional job developers. A job developer with the necessary experience, skills, and creativity to develop employer relationships and shape and organize plans for connecting low- and semiskilled workers to employers, may have much to contribute to welfare-to-work efforts. As a supplemental strategy to this type of job development work, collaborative efforts involving the Workforce Investment Act (WIA) system can provide an entry point to working more closely with employers. Demonstration programs in the Employment Retention and Advancement Evaluation have found that coordinating services with the workforce system often provides access to job leads, employer connections, and WIA-funded training (Anderson and Martinson 2003). Future Steps was not able to engage the workforce system in its efforts, and thereby missed an opportunity to capitalize on another potential resource.

- ***Economic development represents an important strategy for improving the employment prospects of low-income workers in distressed rural areas.***

Rural areas with few job opportunities may need to look beyond welfare-to-work interventions as a way to help low-income workers find lasting work that boosts their prospects for self-sufficiency. Linking TANF and welfare-to-work interventions with organizations that provide economic development initiatives may help create new job opportunities and connect low- and semiskilled workers to them. As a starting point, when welfare and workforce programs collaborate with education and training institutions to focus their efforts on the needs of local workers and employers, they may spur economic development by making an area more appealing to new industry. In addition, community development efforts in distressed local areas may help to improve the economic prospects of low-income workers by alleviating challenges they face related to housing and other services.

Wage subsidies, tax credits, and low-interest loans to employers are incentives that state workforce and welfare agencies and other policymakers might consider in rural communities and regions that have few good job opportunities. These tools can act as incentives for employers to expand their business, create new jobs, and hire low- and semiskilled workers. In labor-intensive industries, such tools may have an important influence on business cost structures, and prospective employers may be willing to consider them as incentives to hire the welfare-to-work population. Such incentives might be structured in various ways. For example, where the number of employees makes it feasible, employer incentives could be used to help offset the costs of offering employer-based child care centers or van services.

- ***Systematic improvements to the availability of logistical services like transportation and child care may be needed in many rural areas.***

Reliable transportation and accessible, good-quality child care are logistical supports essential to labor market success. Many rural areas lack adequate public transportation and accessible, good-quality child care services (Friedman 2003; Rucker 1994; Community

Transportation Association of America 1996; Casper 1996; Hofferth et al. 1991). Southern Illinois is no exception. Clients' service use related to child care and transportation did improve as a result of Future Steps. However, the services were not substantial enough to fully address the extent of clients' logistical barriers.

In areas with a limited transportation and child care infrastructure, it may not be enough to link clients with existing services. Rather, systematic improvements that create more or better services may be necessary. Expanded transportation and child care—through public van service, low-cost car loans, and good-quality, accessible care during nonstandard work hours—may be particularly vital in rural areas with limited resources.

ADDRESSING CONSTRAINTS OF SCALE: ISSUES FOR EVALUATING RURAL PROGRAMS

Conducting evaluations in rural areas is inherently challenging given constraints of scale. Resources, opportunities, and population density are all smaller in rural areas than in urban ones. These factors present important issues, not only for program designers and administrators, but also for evaluators and funders as they try to maximize the usefulness of program evaluations in rural areas. The Rural WtW Strategies Demonstration Evaluation encountered such constraints of scale in implementing and testing Future Steps. In this section, we highlight two key issues—both germane to the Rural WtW experience—that evaluators and funders might face when developing future demonstration evaluations in rural areas.

- ***Evaluators of rural programs can increase the sample size and power of an evaluation by expanding a program's enrollment period, target population, catchment area, or number of sites.***

Low population densities in rural areas can make it difficult to form treatment and control groups that are large enough to detect impacts. During the Rural WtW evaluation's site selection phase, it was challenging to identify strong programs where random assignment was feasible and where it was possible to form sufficiently large treatment and control groups. In the end, the evaluation yielded two tests of promising models—Future Steps and Building Nebraska Families. To form sufficiently large evaluation samples, both Illinois and Nebraska used extended program enrollment periods (18 months for Illinois and 28 months for Nebraska). In addition, Illinois broadened its target population to include food stamp recipients and low-income volunteers, and Nebraska both broadened the geographic catchment area of many of its local sites and added new sites in other rural parts of the state. Other promising rural programs could not be considered for the evaluation due to their small scale and the limited possibility for expanding their target population, catchment area, or number of sites enough to justify an evaluation.

Given the importance to an evaluation of generating a large sample size, evaluators of promising, new rural programs will likely need to think creatively about ways to increase a program's scale and an evaluation's sample size. This might be done by extending the program enrollment period, expanding the target population, increasing the catchment area,

or adding program sites. In particular, enlarging the program by implementing it in additional sites (for example, in neighboring counties or in other parts of the same state) might be the most effective way to substantially increase an evaluation's sample size. If additional sites are added, however, more central guidance and oversight will likely be needed to ensure that sites consistently implement the same program model. If an evaluation has the resources to expand a program in this way, it would likely help to broaden the number of promising, small-scale programs that could be considered for future evaluations. Increasing the sample size would also improve the breadth and precision of the subgroup analyses and the conclusiveness of the findings. The program design and implementation lessons from this and forthcoming reports from the Rural WtW evaluation will help identify promising rural program models that may be well suited for future evaluations.

- ***To strengthen program models and their implementation, future evaluations in rural areas might benefit from more intensive technical assistance before and during a demonstration.***

The provision of technical assistance may take on added importance in rural areas, given limits in local resources. Demonstration programs in *both* urban and rural areas can benefit from technical assistance on program development and implementation as a way to build strong programs and stay focused on program goals. Rural programs, however, may have relatively more to gain. Rural areas may generally have fewer resources to invest in the development of new and innovative program models. Moreover, when rural programs encounter operational challenges, it can be relatively difficult to recover and adapt quickly because of fewer local resource choices and options. For example, when staff resign or turn over, it is difficult to identify and hire new staff quickly because the pool of qualified replacement staff may be relatively limited.

More active technical assistance before and throughout the demonstration might have helped Future Steps develop its employer-focused job training component and, more generally, strengthen the implementation of its case management program model. The Rural WtW evaluation included a technical assistance component. By design, however, that component related to implementing evaluation procedures and providing oversight of program operations mostly during the early phases of operation. In hindsight, it would have been more costly, but probably beneficial, if the evaluation design had (1) focused greater attention on strengthening the development of the program before the start of random assignment, and (2) incorporated more frequent and intensive on-site monitoring and assistance throughout the period of program operations. Doing so may have promoted the development and operation of a stronger program model.

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APPENDIX A

SURVEY DATA COLLECTION AND WEIGHTING METHODS

This appendix describes (1) the methodology used as part of the Rural Welfare-to-Work Evaluation's 18-month telephone survey of the Illinois Future Steps sample, and (2) the procedures used to weight these survey data.

SURVEY METHODOLOGY

In this first section, we describe the methods used to design and conduct the 18-month follow-up survey. In particular, we discuss (1) sample disposition and completion rates, (2) sample selection and enrollment processes, (3) the survey instrument design process and the pretest, (4) interviewer training and quality assurance, and (5) data collection and locating procedures.

Sample Disposition and Completion Rates

For the 18-month follow-up survey of Future Steps sample members, we attempted to complete an interview with all 630 sample members 18 months after they were randomly assigned into the study. The survey was primarily conducted by telephone, assisted by field locating: nearly three-quarters of the surveys were conducted by interviewers in MPR's telephone center, and more than one-quarter originated from field locators equipped with a cellular telephone that the sample member could use to call in to the MPR telephone center.

The overall survey completion rate was 83 percent (Table A.1). We completed a total of 520 surveys (out of 630 sample members)—379 originating from MPR's telephone center and 141 originating from cellular telephones used by field locators. The response rate for control group members was somewhat higher than that for treatment group members (85 versus 81 percent). Among the 110 sample members who did not complete interviews, 79 were not locatable; 17 refused to do the interview; 7 were located, but we were unable to contact them after many attempts; 6 were incarcerated; and 1 was deceased. There was very little difference between treatment and control group members in the reasons why surveys were not completed. We discuss patterns of survey nonresponse in greater detail in the section below on data-weighting procedures.

Table A.1. Final Disposition of Cases for the Rural Welfare-to-Work 18-Month Follow-Up Survey of Future Steps Sample Members

Final Status of Cases	Treatment Group (Number (Percentage))	Control Group (Number (Percentage))	Total (Number (Percentage))
Total Completes	252 (80.5)	268 (84.5)	520 (82.5)
Complete (Telephone)	186 (59.4)	193 (60.9)	379 (60.2)
Complete (Field)	66 (21.1)	75 (23.7)	141 (22.3)
Refusal	11 (3.5)	6 (1.9)	17 (2.7)
Incarcerated	5 (1.6)	1 (0.3)	6 (1.0)
Deceased	1 (0.3)	0 (0.0)	1 (0.2)
Unable to Locate	40 (12.8)	39 (12.3)	79 (12.5)
Located, Cannot Contact	4 (1.3)	3 (0.9)	7 (1.1)
Sample Size	313	317	630

Note: The survey was conducted by Mathematica Policy Research, Inc.

Special challenges are associated with interviewing sample members in rural areas. These include issues with telephone coverage, transportation, and geographic distances that make completing interviews difficult. Planning for the survey incorporated procedures to account for these challenges and maintain an acceptable completion rate. During baseline interviews, extensive contact information was collected from sample members. Before the start of interviewing, preliminary database searches were conducted for all sample cases to identify those that required more locating work. The amount of time cases were worked in our telephone center was limited, to allow more time for field locators to work the cases. Field locators were recruited locally, so that they would be familiar with the local geography and not be intimidating to the sample members. Illinois Department of Human Services (IDHS) staff also provided us with monthly address updates on active sample members. In addition, a \$20 incentive was offered to all sample members for completing the interview. We discuss these various steps in more detail later.

Sample Selection and Enrollment

The sample consisted of all individuals referred to the Future Steps program during the 18-month enrollment period who were eligible to receive services. People were randomly assigned to either the treatment group, whose members were eligible to receive the full range of program services, or to the control group, whose members received only those services available outside of Future Steps.

Our goal was to recruit at least 600 sample members and achieve a survey response rate of 85 percent (510 completes). We randomly assigned 630 sample members in Illinois and completed interviews with 83 percent of them (520 completes).

Our enrollment process consisted of the following steps performed by IDHS staff in each of the five county offices where Future Steps was implemented: (1) completion of enrollment paperwork (including informed consent, baseline information form, and contact information); (2) submission of sample members' information forms for random assignment processing through the Interactive Voice Response System (IVRS), which was managed and overseen by MPR; (3) notification of sample members about their random assignment outcome; and (4) entry of treatment group member information into the Future Steps Information System (FSIS). All the hard-copy forms were shipped to MPR for data entry and storage.

IDHS local office staff received extensive training from MPR on how to administer the baseline enrollment forms. These forms included the informed consent form, baseline information form, and contact information form. After all these forms were administered to sample members and checked for quality, the IDHS staff telephoned the IVRS and entered key pieces of information about the applicant. After the IVRS determined that the applicant was not a duplicate and was eligible for the program, that applicant was randomly assigned to either the treatment or control group. The system instantly reported the outcomes to the IDHS staff person, who recorded them on the forms. This process minimized the amount of extra work IDHS site staff had to complete. It also allowed them to know the outcome of the random assignment process almost immediately.

All forms went through a rigorous quality control process after they were returned to MPR. Missing or incorrect data were retrieved from the sites or, in many cases, the sample members themselves. All forms were data entered with 100 percent verification.

Survey Instrument Design and Pretest

The survey instrument was designed to be administered by computer-assisted telephone interviewing (CATI), with follow-up work by field locators using cellular telephones. The survey was designed to take 45 minutes for the respondent to complete. A paper-and-pencil version of the instrument was also developed for use in situations where telephone administration was impractical, such as prisons or areas not covered by cellular telephones.

In designing the survey, we drew heavily from questionnaires and instruments used in previous studies. We also consulted two outside experts: (1) Bruce Weber from the Department of Agricultural and Resource Economics at Oregon State University, and (2) Greg Duncan from the Joint Center for Poverty Research at Northwestern University. The instrument uses questions from the National Evaluation of the Welfare-to-Work Grants Program, the National Job Corps Study, the National Longitudinal Survey of Youth 1979, the National Survey of America's Families, the Current Population Survey, the Iowa Core Survey of Current and Former TANF Recipients, the Iowa Child Impact Study, the Postemployment Services Demonstration, the 1998 Survey of Former AFDC Recipients in Milwaukee, the Voices of Rural America National Survey, the Nebraska Welfare Evaluation Client Survey, the Survey of New Parents, and the World Health Organization's Composite International Diagnostic Interview Short Form (CIDI-SF). In addition, many new items were created specifically for this instrument. The survey was drafted between February and

April 2002 and submitted to ACF for review. It was revised based on feedback from ACF and our consultants.

We conducted a survey pretest to identify ways to improve (1) the flow and sequencing of questions, (2) administration procedures, (3) length of the survey, (4) wording of the questions, and (5) instructions for the interviewers. During August and September 2002, we pretested several versions of the survey. We completed six pretest surveys in total. The participants in the six pretests included people drawn from the predemonstration Rural WtW programs in Illinois, Nebraska, and Tennessee. The interviews were drawn from all three sites to simulate the likely disposition of the full Rural WtW sample.¹

We trained three experienced interviewers familiar with the evaluation to complete the pretest interviews. One interviewer worked primarily evenings and weekends, while the other two worked mornings, afternoons, and some evenings. We felt that the schedules of these interviewers would give us the best coverage for this population. The six completed interviews averaged 67 minutes. We modified the instrument in an iterative fashion, based on information obtained through survey monitoring by MPR researchers and debriefings with interviewers. Because the interview took longer than expected, we cut many questions from the instrument. We also made adjustments to several items based on respondents' ability to understand the questions and answer them.

After completing the pretest, we submitted the follow-up survey instrument and supporting materials to the Office of Management and Budget (OMB) for approval. Based on their comments, we made additional revisions to the instrument before the start of data collection.

Although a CATI application was used for the actual data collection, the survey pretest was conducted using a paper-and-pencil version of the instrument. Because of the extensive programming that would be required to make the many rounds of CATI revisions during the pretest, it was not practical to program and test a CATI version of the instrument. The CATI application was developed after we made final revisions to the instrument. The length of the final instrument, administered via CATI, was an average of 51 minutes.

Interviewer Training and Quality Assurance

Before the start of data collection, we held trainings at our telephone center for all MPR project staff. In attendance were the project director, the survey director, and a survey assistant. All telephone interviewers and locators were required to attend a 12-hour training designed to give them a thorough understanding of the project goals and the skills necessary to produce good-quality data. All survey supervisors and monitors also received training so they could monitor the quality of the data collection.

¹ The same survey is being used to collect follow-up information from the evaluation's Building Nebraska Families sample.

Training included a broad range of topics. Trainees were given background information on the study, including information about its research goals. The survey instrument was reviewed, item by item, with detailed explanations about the meaning and correct administration of the questions. Trainees also received instruction on sample management, strategies for contacting sample members and explaining the study, and guidelines for appropriate question probing. Before completing the training, each trainee was expected to complete two practice interviews, monitored by project staff.

As part of our regular quality assurance procedures, we conducted ongoing survey monitoring for all active interviewers. Each interviewer was monitored on approximately 10 percent of his or her calls, including introductions and survey refusal conversion attempts. Our professional survey monitoring staff, as well as Rural WtW project staff, monitored interviewers over the entire duration of the study.

We hired field locators to work on cases that we were unable to locate from our telephone center. We hired local residents and trained them in intensive locating techniques. Only minimal training on the instrument was required, since the locators' primary responsibility was to find sample members and then encourage them to call the telephone center. Local staff were familiar with the geography and were better able to plan trips to maximize their coverage. They were also familiar with local customs and were able to build rapport with sample members more quickly. In addition, they were able to connect with sample members' friends and relatives to obtain their help locating the sample members.

For interviews initiated through a field locator, we routinely verified 10 percent of the locators' completed cases. Completed cases were randomly selected for either telephone or mail validation, in which the respondent completed a short questionnaire, confirming that he or she had completed the interview and was a member of the research sample.

Data Collection and Locating Procedures

The survey data were collected during the 18-month period from March 2003 to August 2004. Before the start of data collection, we reviewed the sample cases that had been randomly assigned to date and identified sample members with changed or incomplete contact information. We relied on several national databases, comparing our sample to existing contact information and updating our records with any new information. This useful step was repeated periodically throughout sample enrollment, as new cases were added to the sample.

Given the time-sensitive nature of the survey, cases were released to the telephone center exactly 18 months from their date of random assignment. Because sample enrollment was spread over many months, we used hard-copy contact sheets to manage the sample flow. We generally worked cases in the telephone center for approximately six to eight weeks. For those not completed at the end of that period, we began field locating and followup.

We mailed an advance letter one week before the target date on which we would initially call a sample member. The letter introduced the study, explained MPR's role in it, and

invited the sample member to call us on our toll-free line and participate in the survey at their earliest possible convenience. It offered sample members a \$20 incentive for completing the interview and explained that participation was voluntary and that the identities and responses of all participants would be kept confidential. Through the advance letters, we also identified cases with incorrect contact information. Some of the letters were returned to us because of out-of-date address information, and others were returned with forwarding address information. We remailed the letters with new information to the new addresses and updated our records with the new information. Those letters without new information required additional locating.

The next interviewing step involved calling each sample member on his or her target interview date to attempt to complete an interview. If the interview could not be completed, appointments for future interviews were made when possible. Alternatively, we scheduled routine followup of these cases on varying days and times. If the initial contact attempt identified sample members with incorrect telephone numbers or outdated contact information, these cases were immediately tagged for additional locating.

We used several techniques to locate sample members whose contact information was out-of-date. We contacted family members and friends for updated contact information. Failing that, sample members' identifying information was run through several national databases owned by LexisNexus. Using names, social security numbers, dates of birth, and last known addresses and telephone numbers, new contact information was generated for interviewers. In addition, to try to identify sample members who might have become incarcerated since enrolling in the program, locators searched Internet databases with federal and state corrections information. Moreover, IDHS staff provided us with monthly address updates for the outstanding sample members on our list. This assistance from IDHS was invaluable to the success of the study.

We mailed letters and postcards to sample members with whom we had not completed interviews. Every few months, we changed the format and content of the letters and postcards, as well as the size and appearance of the envelope and the method of mailing (regular first class mail versus priority mail). We did this to spark sample members' interest in opening the letter and reading it.

A small number of sample members initially refused to participate in the survey. After their initial refusal, we waited a week, then mailed them a personalized, specially crafted letter designed to change their mind about participating. The letter reiterated the importance of the study and their participation in it. They were invited to call our toll-free number to complete the interview and reminded of the \$20 incentive. We waited until we were confident they had received the letter, and then a specially trained "refusal conversion interviewer" called to attempt to gain the sample member's cooperation. If this attempt resulted in a second refusal, the case was sent to the field, to be attempted in person. In-person refusal conversion attempts are often more successful, since there is a personal connection, and the respondent feels important because of the extra effort made.

DATA-WEIGHTING PROCEDURES

In this section, we describe the evaluation's data-weighting procedures. We begin with an analysis of patterns of nonresponse in the 18-month survey data and follow with a discussion of the nonresponse adjustments made in the computation of the survey weights.

Nonresponse Patterns

The Future Steps population had 630 eligible cases. All the eligible cases were used in the study, and 520 of them responded to the survey. We compared the characteristics of the survey respondents with those of the nonrespondents to examine differences between them. Our analysis showed that there are not significant statistical differences in the distribution of the respondents and the nonrespondents along key baseline characteristics (Table A.2).

The response rate for the survey was 83 percent (Table A.3). There is a small difference in response rates (4 percentage points) between the treatment (81 percent) and the control (85 percent) groups. The largest difference of 12 percentage points is between the males (73 percent) and females (85 percent), and the second-largest difference of over ten percentage points is between the cases who are not currently working (81 percent) and the cases who are currently working (91 percent).

If the participants in the study are divided into smaller groups (treatment versus control crossed with male/female, or crossed with male/female and currently working/not currently working), we find still larger differences among the response rates. For example, the response rate for males in the treatment group is 71 percent (the response rate for the males not working is very close to all the males, because the number of males working is very small and it can not be generalized). The response rate for working females in the treatment group is 98 percent.

Computation of the Weights

The weights were computed using two components, both of which accounted for survey nonresponse. We developed two separate weighting adjustments: (1) a weighting cell adjustment for nonresponse, and (2) a poststratification adjustment to mimic the demographic population characteristics under study. Because we have a census, not a sample, of eligible program participants, the base weight for all cases is one. These two adjustments comprise the final weight.

For the first adjustment, we formed weighting cells within the treatment and control groups using the characteristics that best describe the completion pattern—gender and working status at the time of random assignment—with a minimum of 20 completed cases for each cell. The cells with more than 20 completed cases are males in the treatment group, females not working in the treatment group, females working in the treatment group, males in the control group, females not working in the control group, and females working in the control group. Each cell had as a nonresponse adjustment the ratio of the participants in the study to the number of responding participants in the cell. For example, there are 180

Table A.2. Comparison of Survey Respondents with Nonrespondents

Characteristics at Baseline	Respondents		Nonrespondents	
	Counts	Percentage	Counts	Percentage
Treatment or Control				
Treatment	252	48	61	55
Control	268	52	49	45
Gender				
Male	108	21	39	35
Female	412	79	71	65
Race				
Black	273	53	50	45
Non black	247	48	60	55
Ethnicity				
Hispanic	17	3	4	4
Non-Hispanic	486	93	104	95
Unknown	17	3	2	2
Age at Enrollment				
Younger than 20	39	8	5	5
20 to 29	240	46	55	50
30 to 39	153	29	35	32
40 or older	88	17	15	14
Education				
No GED or high school diploma	132	25	30	27
GED or high school diploma	230	44	46	42
More than high school diploma or GED	158	30	34	31
Household Composition				
Single adult	379	73	79	72
Multiple adults	132	25	29	26
Unknown	9	2	2	2
Age of Children				
Less than 3 years old	150	29	32	29
3 to 5	81	16	17	15
6 to 17	137	26	27	25
More than 18	147	28	34	31
Unknown	5	1	0	0
Currently Working for Pay				
Yes	105	20	10	9
No	415	80	100	91
Currently Receiving TANF				
Yes	82	16	13	12
No	431	83	96	87
Unknown	7	1	1	1

Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: We conducted chi-squared tests for all of the characteristics to test for differences between respondents and nonrespondents.

*/**/** Significant difference from zero at the .10/.05/.01 level, two-tailed test. There were no significant differences between the two groups.

Table A.3. Response Rates, by Key Baseline Characteristics

	Population	Respondents	Response Rate
All	630	520	82.5
Male ^a	147	108	73.5
Female	483	412	85.3
Not currently working for pay ^b	515	415	80.6
Currently working for pay	113	103	91.2
Treatment			
All	313	252	80.5
Male	76	54	71.1
Female	237	198	83.5
Female not working	180	142	78.9
Female working	56	55	98.2
Control			
All	317	268	84.5
Male	71	54	76.1
Female	246	214	87.0
Female not working	201	175	87.1
Female working	44	38	86.4

Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

^aThe number of males in the treatment and control group is very small (76 for the treatment and 71 for the control group). In addition, there were only six males in the treatment group who were working at baseline, and seven in the control group. We did not specify the population counts, the number of respondents, or the response rates for such small subgroups.

^bData were missing for sample members' baseline employment status for two cases.

nonworking females in the treatment group, and 142 of them completed the survey. The nonresponse adjustment for the 142 females who responded to the survey is $180/142 = 1.26761$. The nonresponse adjustment was applied to all completed cases to compensate for the noncompleted cases.

The second adjustment was a poststratification of the completed cases by treatment or control group and gender and race (considering race as black or nonblack). We used the previously described nonresponse adjustments as the weight for the respondents in each cell. Each cell had as its poststratification adjustment the ratio of the population for that gender, race, and treatment group to the weighted number of responding participants for that gender, race and treatment group. For example, there are 117 black females in the treatment group, 100 of them responded, and the sum of their adjusted weight is 118.269. Then, the poststratification adjustment for the black females in the treatment group is $117/118.269 = 0.98927$. The final weight for each respondent is the poststratified nonresponse adjustment.

Overall, the nonresponse adjustments for the treatment and control groups created a small design effect close to one due to unequal weights. The effective total survey sample size for the treatment and control groups are 248 and 267, respectively, compared with an actual sample size of 252 and 268, respectively.

APPENDIX B

ADDITIONAL COST STUDY ANALYSES: COSTS BY PROGRAM COMPONENT

As part of the Future Steps program cost study, we allocated total costs to six components that represent the key services and activities of the program. We selected the six program components (see text box below) not only for their relevance to Future Steps, but also so we could compare Future Steps component costs with those from other welfare-to-work initiatives. In this appendix, we describe the methods we used to estimate the costs of the program components, as well as key findings related to them.

METHODS

We allocated total program costs to each of six key components, primarily by examining how program administrators and staff spent their time and used program resources. Accounting records were not available by program component. Therefore, on the site visits, we talked extensively with administrators and staff, asking them to reflect on the fraction of time they spent on each program activity, taking into account variations across the weeks and months during the cost period. We identified an appropriate fraction of time spent per component for each staff member, then used these fractions to allocate total labor costs across components.

For nonlabor costs, to the extent possible, we allocated costs to components based on their direct association to a given component. For example, the dollar value of the supportive service payments made to clients was allocated to the supportive service component. In other cases, when nonlabor costs were not directly associated with a particular component, we allocated costs to components in the same proportion as the component's share of total labor costs. Allocating costs to components was inherently inexact, particularly given that some of the components included closely related activities or functions. However, we believe that the results provide useful and reasonably accurate cost estimates for the most important elements of the Future Steps program.

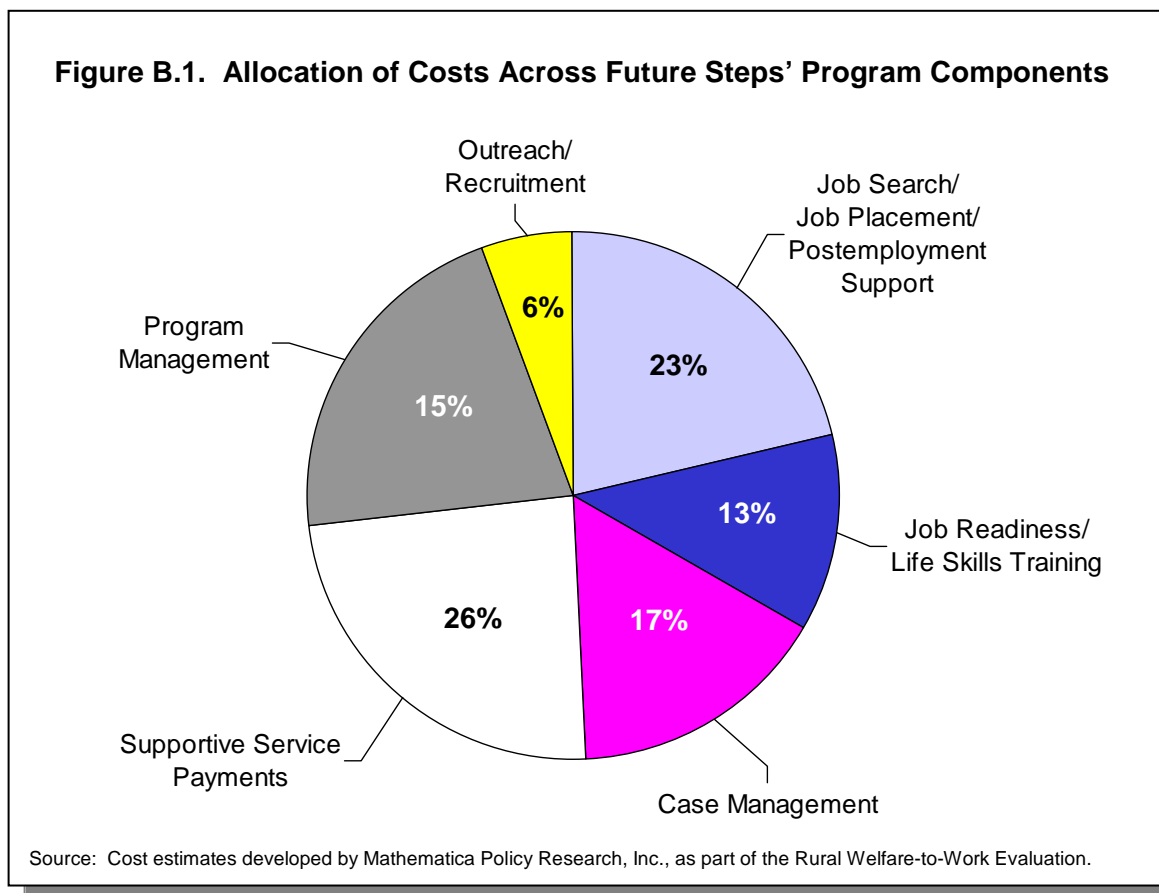
KEY PROGRAM COMPONENTS

- ***Outreach and Recruitment.*** All activities specifically aimed at publicizing program services and generating referrals or enrollment, including the time Future Steps staff spent coordinating with IDHS staff to enroll clients.
- ***Case Management Assistance.*** General assistance, including orienting participants to the program, conducting assessments, coordinating service referrals and receipt of services, and monitoring progress.
- ***Job Readiness/Life Skills Training.*** Specific assistance to enhance the employability and job search preparedness of participants—for example, coaching and mentoring on workplace readiness issues and life skills, conducting mock interviews, and developing resumes.
- ***Job Search/Job Placement/Postemployment Support.*** All activities to identify job openings and help participants secure employment—for example, helping participants examine job listings and obtain jobs, conducting on-site contacts with prospective employers, and providing postemployment support to resolve workplace issues, develop skills, and obtain a better job.
- ***Supportive Service Payments.*** The actual value of the payments, along with time spent coordinating with clients to identify supportive service items, seeking approval from program administrators for payments, obtaining items, and completing required paperwork.
- ***Program Management.*** Program oversight, record keeping, updating the FSIS management information system, and general administrative duties.

FINDINGS ON PROGRAM COMPONENT COSTS

Individualized case management, job readiness training, and job search, placement, and postemployment support represent the foundation of Future Steps services. More than half of all program costs (53 percent) were associated with this complementary trio of employment-related services (Figure B.1). These three components were intended to engage participants in program activities, help them prepare for and secure a job, and support them after they began work. Viewed alone, services directly related to helping clients get and keep a job (job search/placement/postemployment support) represent the most costly program service—nearly one-quarter (23 percent) of total program costs.

The scope of the employment-related services that Future Steps provided was somewhat lower than that of other recent welfare-to-work initiatives. Findings from the cost study of the Evaluation of the Welfare to Work (WtW) Grants Program offers a useful

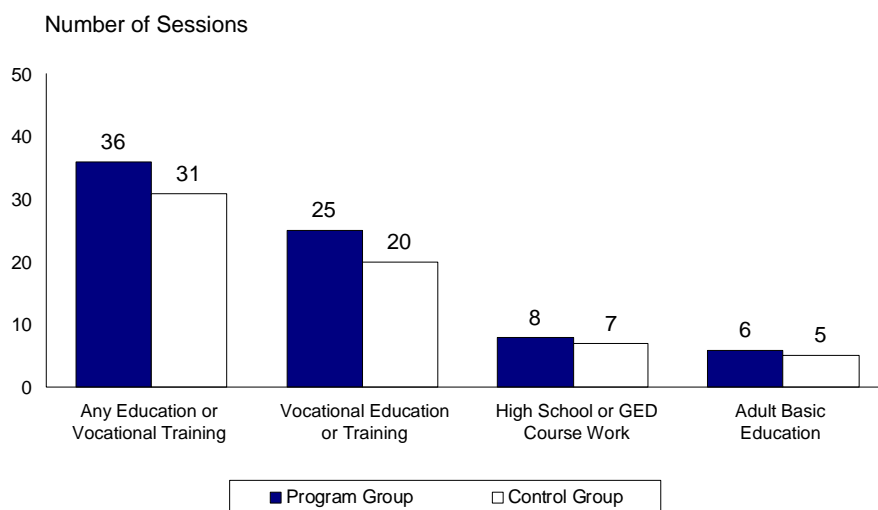


point of comparison (Perez-Johnson et al. 2002). Nine of the programs in the WtW cost study implemented an “enhanced direct employment (EDE)” model comparable to Future Steps. Like Future Steps, these EDE programs operated outside of the welfare agency, focused on moving participants into unsubsidized employment quickly, and enhanced traditional work first interventions with a range of services. Among the nine EDE programs, an average of two-thirds (67 percent) of total costs were associated with case management, job readiness, and job placement, compared with 53 percent for Future Steps (Perez-Johnson et al. 2002). Compared with these other programs, Future Steps placed less emphasis on job readiness and life skills training and more emphasis on supportive service payments.

Supportive service payments were a central aspect of the Future Steps program. Future Steps often used supportive service payments to alleviate clients’ widespread transportation problems. Supportive service payments, and the labor costs associated with authorizing and obtaining them, represent more than one-quarter (26 percent) of Future Steps costs, making it the single most costly program component.

Smaller, but essential, program costs related to program management and the outreach to, and recruitment of, new clients. Management costs in Future Steps equaled 15 percent of total program costs. These costs reflect the involvement of both SCC and IDHS staff in implementing and overseeing the program and the time many staff spent in keeping the FSIS information system up-to-date. Only a small fraction (six percent) of program costs supported outreach and recruitment. These low outreach and recruitment costs reflect the ease with which IDHS and SCC caseworkers were able to recruit new clients into the program. This cost component also includes the program's use of a small pool of discretionary funds to provide supportive services to the general SCC student population as a way to market the program and promote recruitment.

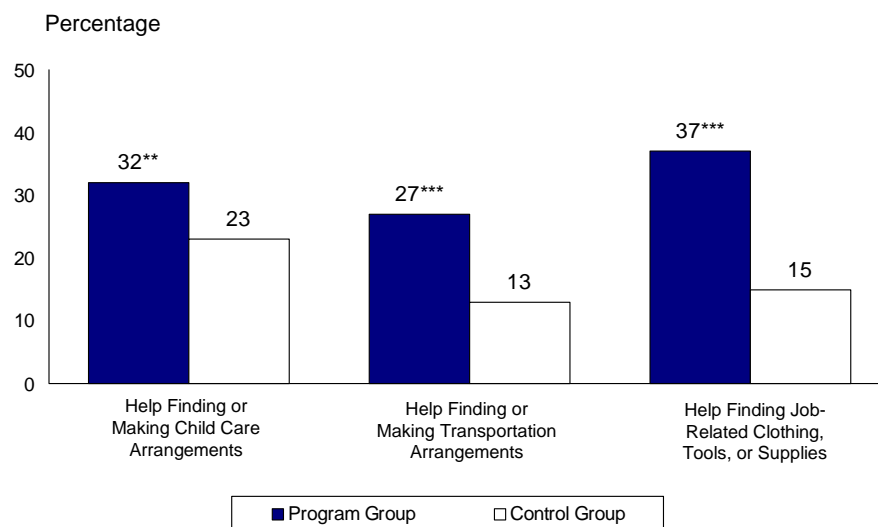
APPENDIX C
SUPPLEMENTAL FIGURES
AND TABLES

Figure C.1. Participation in Education and Training During the 18-Month Follow-Up Period

Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: Estimates were adjusted using multivariate regression methods, and data were weighted to account for survey nonresponse. Standard errors of the estimates account for sample weights.

*/**/*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

Figure C.2. Logistical Assistance During the 18-Month Follow-Up Period

Source: Based on the Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: Estimates were adjusted using multivariate regression methods, and data were weighted to account for survey nonresponse. Standard errors of the estimates account for sample weights.

*/**/*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

Table C.1. Transportation and Other Logistical Support Services Received During the 18-Month Follow-Up Period

Outcome (Percentages)	Program Group	Control Group	Difference
Help Finding or Making Transportation Arrangements	26.5	13.3	13.3***
Help Paying for Transportation from an Agency	30.4	12.7	17.7***
Gas vouchers	22.4	3.7	18.7***
Money to register car, get insurance, obtain license	8.8	2.1	6.7***
Money for car repair or maintenance	9.8	3.9	5.8***
Voucher/passes for bus, taxi, van, or train	7.8	2.3	5.5***
Money to purchase a car	5.1	0.4	4.8***
Help with Transportation from an Employer	5.2	3.4	1.8
Help with Transportation from Other Sources ^a			
Received gifts from family/friends to help purchase a car	9.1	9.6	-0.5
Received gifts from family/friends to help pay for expenses related to car repair/maintenance	11.1	11.2	-0.2
Obtained a loan to help pay for car	8.5	11.3	-2.7
Sample Size	252	268	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aGifts from “family or friends” represent only family or friends who were not living in the sample member’s household.

*/**/*** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

Table C.2. Monthly Employment Rates Based on Survey Data (Percentages)

Outcome	Program Group	Control Group	Estimated Impact
Whether Employed, by Month After Random Assignment			
1	31.2	31.3	-0.1
2	40.4	35.3	5.1
3	43.9	37.9	6.0
4	47.5	40.1	7.4*
5	46.1	43.2	2.9
6	46.6	44.6	2.0
7	49.1	47.0	2.1
8	51.4	48.9	2.5
9	47.1	50.1	-3.0
10	49.4	52.4	-3.0
11	50.2	52.2	-2.0
12	51.4	52.8	-1.3
13	50.9	52.2	-1.3
14	53.6	54.8	-1.2
15	53.4	54.7	-1.3
16	53.5	54.9	-1.4
17	54.7	56.5	-1.8
18	54.2	54.9	-0.6
Ever Employed During 18-Month Follow-Up Period	74.5	75.1	-0.6
Sample Size	252	268	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data are weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.3. Employment Rates and Earnings Based on Administrative Data

Outcome	Program Group	Control Group	Estimated Impact
Employment (Percentages)			
Employed, by quarter after random assignment ^a			
1	47.8	38.5	9.3***
2	46.4	39.6	6.8*
3	46.0	39.4	6.6*
4	41.6	40.3	1.3
5	39.6	37.0	2.6
6	35.6	36.5	-0.9
Ever employed, year 1 after random assignment	66.6	64.2	2.4
Earnings (Dollars)			
Earnings, by quarter after random assignment			
1	594	490	104
2	767	798	-30
3	831	741	91
4	800	877	-77
5	837	830	7
6	879	887	-8
Total earnings, year 1 after random assignment (average)	2,992	2,905	87
Sample Size	313	317	

Source: Administrative records data from the state of Illinois, compiled by Mathematica Policy Research, Inc. as part of the Rural Welfare-to-Work Evaluation.

Note: All estimates were adjusted using multivariate regression methods.

^aWe present quarterly employment and earnings data for six quarters, or 18 months. However, the data for the last two quarters (quarters 5 and 6) are incomplete and should be treated with caution. The employment rates for these two quarters are relatively low due to the incomplete data. However, we have included these preliminary data since we assume that the data are equally incomplete for the program and control groups. The preliminary data for these last two quarters suggest that the early program versus control differences in the employment rate do not persist during the last two quarters of the 18-month follow-up period.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.4. Monthly and Total Earnings Based on Survey Data

Outcome	Program Group	Control Group	Estimated Impact
Average Earnings per Month, by Month After Random Assignment (Dollars)			
1	281	293	-12
2	377	387	-10
3	434	430	4
4	459	459	0
5	470	489	-19
6	499	492	7
7	543	521	22
8	540	550	-10
9	506	567	-61
10	525	591	-66
11	543	589	-46
12	575	600	-25
13	555	595	-40
14	544	590	-46
15	552	592	-40
16	550	593	-43
17	563	589	-26
18	555	593	-38
Earnings per Month During the Entire 18-Month Period (Percentages)			
0	24.3	21.5	2.8
\$1 to \$249	14.8	18.1	-3.3
\$250 to \$499	15.1	13.4	1.8
\$500 to \$749	14.0	13.6	0.4
\$750 to \$1,000	13.1	10.2	2.9
\$1,000 or more	18.7	23.2	-4.6
Average Earnings per Month During the Entire 18-Month Period (Dollars)			
	568	614	-45
Total Earnings During the Entire 18-Month Period (Dollars)			
	8,831	9,381	-550
Sample Size	249	265	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.5. Other Characteristics of the Current or Most Recent Job Held by Sample Members Who Were Employed During the 18-Month Follow-Up Period

Outcome (Percentages) ^a	Program Group	Control Group
Occupation		
Administrative support/clerical	1.7	1.7
Sales/retail	11.2	14.5
Health services	22.5	22.4
Food services	19.2	13.9
Cleaning services	8.1	8.0
Other services	11.4	13.4
Production/trade	18.4	15.9
Manager/professional/technical	6.9	7.8
Other	0.6	2.4
Shift or Time of Day Worked		
Regular daytime	60.9	68.2
Afternoon	2.6	0.5
Regular evening	9.6	12.2
Overnight	8.4	5.2
Rotating shift	9.1	6.7
Split shift	1.4	0.0
Irregular	4.6	5.3
Regular with some weekends	0.5	0.4
Other	2.9	1.6
Self-Employed	7.5	9.5
Temporary or Seasonal Job	22.8	21.7
Primary Mode of Transportation to Current/Most Recent Job (Percentage)		
Drives self	61.7	65.4
Gets ride from family/friends	22.5	19.5
Walks	16.8	13.3
Average Commute Time to Work (One-Way) (Minutes)		
15 minutes or less	66.5	61.7
16 to 30 minutes	13.9	18.5
31 to 45 minutes	9.2	10.1
46 to 60 minutes	1.5	4.0
More than 60 minutes	9.0	5.6
Average	26.2	26.1
Sample Size	193	212

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aAbout one-quarter of both the program and control groups did not work during the follow-up period. Since these cases are not included in this table, we do not report estimated impacts for these outcomes. However, we do report statistically significant differences between the two groups:

*/**/** Significantly different from zero at the .05/.025/.01 level, one-tailed test.

C.10

Table C.6. TANF Received by Month, Based on Administrative Data

Outcome	Program Group	Control Group	Estimated Impact
Percent Receiving TANF, by Month After Random Assignment			
1	13.3	10.6	2.7
2	15.4	12.9	2.6
3	17.7	16.3	1.4
4	15.6	13.1	2.5
5	12.4	12.1	0.3
6	11.1	14.2	-3.1
7	11.2	13.2	-2.0
8	11.3	12.8	-1.6
9	10.0	11.2	-1.2
10	10.5	8.6	1.9
11	9.7	8.4	1.3
12	9.5	7.0	2.5
13	10.1	8.9	1.1
14	9.6	8.4	1.2
15	9.4	9.1	0.3
16	9.3	9.8	-0.5
17	6.8	9.7	-2.9
18	7.1	8.8	-1.8
19	7.6	10.0	-2.4
20	7.6	9.6	-2.0
21	7.4	9.8	-2.4
22	7.2	10.6	-3.4
23	5.9	11.3	-5.4
24	5.6	9.7	-4.0
Average Amount of TANF Received, by Month After Random Assignment			
1	36.1	28.4	7.7
2	39.6	33.7	6.0
3	46.4	44.4	2.0
4	38.5	33.2	5.2
5	31.1	28.2	2.8
6	26.9	33.9	-7.0
7	29.3	30.6	-1.3
8	32.7	29.0	3.7
9	26.3	28.7	-2.5
10	29.2	21.2	8.0
11	27.3	19.5	7.8
12	28.0	17.6	10.5
13	30.9	24.0	6.9
14	30.1	23.0	7.0
15	29.1	24.1	5.1
16	29.8	23.9	6.0
17	22.2	24.3	-2.2
18	21.7	20.4	1.3
19	22.3	24.1	-1.8
20	21.8	21.9	-0.2
21	16.7	26.1	-9.4
22	20.9	27.4	-6.5
23	17.3	30.2	-12.9
24	17.2	27.4	-10.2
Sample Size	313	317	

Source: Administrative records data from the state of Illinois (available for 24 months after random assignment), compiled by Mathematica Policy Research, Inc. as part of the Rural Welfare-to-Work Evaluation.

Note: All estimates were adjusted using multivariate regression methods.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.7. Food Stamps Received by Month, Based on Administrative Data

Outcome	Program Group	Control Group	Estimated Impact
Percent Receiving Food Stamps, by Month After Random Assignment			
1	61.7	61.5	0.2
2	77.4	76.9	0.6
3	76.7	74.8	1.9
4	70.5	75.2	-4.7
5	69.6	73.2	-3.5
6	66.1	69.7	-3.7
7	69.1	66.5	2.6
8	63.2	66.0	-2.9
9	64.8	62.9	1.9
10	61.8	62.0	-0.1
11	61.6	61.8	-0.2
12	61.5	58.3	3.2
13	57.8	60.0	-2.2
14	60.4	58.9	1.5
15	59.1	55.3	3.8
16	60.9	56.3	4.6
17	57.5	55.5	2.1
18	56.2	56.5	-0.2
19	57.5	56.8	0.7
20	56.4	56.6	-0.2
21	57.0	54.5	2.5
22	55.5	57.1	-1.6
23	55.7	57.9	-2.1
24	55.6	57.1	-1.4
Average Amount of Food Stamps Received, by Month After Random Assignment			
1	171.2	163.7	7.6
2	206.6	208.2	-1.6
3	201.3	192.5	8.7
4	187.6	188.8	-1.1
5	185.8	189.5	-3.7
6	171.2	181.9	-10.7
7	188.5	165.5	22.9*
8	175.5	169.5	6.0
9	182.3	163.2	19.0
10	168.2	162.6	5.6
11	168.7	163.6	5.1
12	173.1	153.3	19.8
13	166.8	158.9	7.9
14	177.5	161.0	16.5
15	170.2	149.8	20.4
16	176.2	157.2	18.9
17	165.4	149.6	15.7
18	160.7	150.5	10.2
19	156.9	155.5	1.3
20	156.4	150.9	5.4
21	150.9	147.0	3.9
22	152.8	154.7	-1.9
23	157.2	154.6	2.5
24	157.0	155.1	1.9
Sample Size	313	317	

Source: Administrative records data from the state of Illinois (available for 24 months after random assignment), compiled by Mathematica Policy Research, Inc. as part of the Rural Welfare-to-Work Evaluation.

Note: All estimates were adjusted using multivariate regression methods.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.8. Overall TANF and Food Stamp Receipt During the Follow-Up Period, Based on Administrative Data

Outcome	Program Group	Control Group	Estimated Impact
Whether Received TANF (Percentage)			
Year 1 followup	31.0	25.5	5.5
18-month followup	32.0	28.0	4.0
Year 2 followup	15.6	16.2	-0.6
Year 1 or 2	33.8	29.7	4.1
Percentage of Months Received TANF			
Year 1 followup	12.5	11.5	1.0
18-month followup	11.4	10.1	1.3
Year 2 followup	8.0	9.4	-1.5
Year 1 or 2	10.2	10.5	-0.2
Amount of TANF Received (Average)			
Year 1 followup	391	348	43
18-month followup	555	488	67
Year 2 followup	280	297	-17
Year 1 or 2	671	645	26
Whether Received Food Stamps (Percentage)			
Year 1 followup	95.3	92.4	2.9
18-month followup	96.0	92.5	3.5
Year 2 followup	77.1	73.1	4.0
Year 1 or 2	96.6	93.9	2.6
Percentage of Months Received Food Stamps			
Year 1 followup	66.9	67.4	-0.5
18-month followup	63.9	64.7	-0.8
Year 2 followup	57.5	56.8	0.7
Year 1 or 2	62.2	62.1	0.1
Amount of Food Stamps Received (Average)			
Year 1 followup	2,180	2,102	78
18-month followup	3,197	3,029	167
Year 2 followup	1,948	1,845	103
Year 1 or 2	4,128	3,947	181
Sample Size	313	317	

Source: Administrative records data from the state of Illinois (available for 24 months after random assignment), compiled by Mathematica Policy Research, Inc. as part of the Rural Welfare-to-Work Evaluation.

Note: All estimates were adjusted using multivariate regression methods.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.9. Sample Members with Income from Earnings and Other Private Sources During the Month Prior to the 18-Month Survey^a

Outcome (Percentage of Sample Members)	Program Group	Control Group	Estimated Impact
Own Earnings	47.7	53.3	-5.5
Spouse or Partner Earnings	13.6	12.0	1.6
Other Adult Household Member Earnings	15.9	20.3	-4.4
Earnings from Informal or Odd Jobs ^b	7.3	7.0	0.2
Child Support Income	8.5	8.0	0.5
Other Private Income	5.6	6.9	-1.3
Sample Size	252	268	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aThe month before the survey represented a different number of months after random assignment for different clients. For example, for some clients, the month before the survey represented 18 months after random assignment. For others, it represented from 19 to 23 months after random assignment.

^bEarnings from informal or odd jobs are those from either the sample member or a spouse/partner or other adult household member who was living with the sample member during the month before the survey.

*/**/** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.10. Subgroup Differences in the Use of Services and Resources, by Period of Program Enrollment^a

Characteristic ^a	Enrolled in First Half of Demonstration			Enrolled in Second Half of Demonstration		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference
Any Employment Preparation Service	53.4	21.5	31.9***	39.6	34.9	4.8
Any Education or Training	36.0	24.0	11.9**	36.0	38.1	-2.0
Life Skills Training	11.7	6.5	5.2	16.8	10.2	6.6
Any Health-Related Service	28.7	28.1	0.6	19.8	21.9	-2.1
Mediation	10.3	1.4	8.9***	3.7	2.3	1.4
Help Paying for Child Care, Transportation, or Job-Related Supplies	68.2	36.1	32.0***	51.5	37.2	14.3***
Sample Size	137	146		115	122	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aThe program was implemented during the two-year period from July 2001 to September 2003, and random assignment and program enrollment were conducted during the 18-month period from July 2001 to December 2002. Clients who enrolled during the first and second halves of the demonstration were those who were randomly assigned during the first and second 9 months, respectively, of the 18-month enrollment period. The group of clients who enrolled during the first half of the demonstration (July 2002 to March 2002) were mostly served during the first program year. Similarly, the group of clients who enrolled during the second half of the demonstration (April 2002 to December 2002) were mostly served during the second program year.

*/**/** Differences are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.11. Subgroup Impacts on Employment, Earnings, and Public Assistance, by Period of Program Enrollment^a

Outcome	Enrolled in First Half of Demonstration			Enrolled in Second Half of Demonstration		
	Program Group	Control Group	Impact Estimate	Program Group	Control Group	Impact Estimate
18-Month Follow-Up Survey Data						
Employed at 18-Month Followup (Percentage)	56.1	55.1	0.9	52.2	54.7	-2.5
Ever Employed During 18-Month Followup (Percentage)	77.2	77.1	0.1	71.6	72.5	-0.8
Total Earnings During 18-Month Follow-Up Period (Dollars)	9,577	9,221	356	7,799	9,753	-1,954
TANF Received Last Month (Percentage)	16.0	14.6	1.5	13.8	10.1	3.8
Food Stamps Received Last Month (Percentage)	75.2	71.2	4.0	74.2	73.8	0.4
Living Below Poverty at 18-Month Followup (Percentage)	66.0	55.8	10.1	70.6	69.1	1.5
Sample Size	137	146		115	122	
Administrative Records Data^b						
Ever Employed During 12-Month Follow-Up Period (Percentage)	72.4	67.4	5.0	58.2	61.4	-3.2
Total Earnings During 12-Month Follow-Up Period (Dollars)	3,155	2,769	386	2,717	3,144	-426
TANF Receipt						
Received TANF during 18-month follow-up period (percentage)	40.3	36.5	3.8	23.7	16.0	7.7
Percentage of months received TANF during 18-month follow-up period	13.3	13.1	0.2	11.0	6.5	4.5
Food Stamp Receipt						
Received food stamps during 18-month follow-up period (percentage)	97.6	89.4	8.2	94.4	95.7	-1.3
Percentage of months received food stamps during 18-month follow-up period	64.5	63.6	0.9	62.3	67.4	-5.1
Sample Size	174	175		139	142	

Table C.11 (continued)

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.; and administrative records data from the state of Illinois, compiled by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The survey data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aThe program was implemented during the two-year period from July 2001 to September 2003, and random assignment and program enrollment were conducted during the 18-month period from July 2001 to December 2002. Clients who enrolled during the first and second halves of the demonstration were those who were randomly assigned during the first and second 9 months, respectively, of the 18-month enrollment period. The group of clients who enrolled during the first half of the demonstration (July 2002 to March 2002) were mostly served during the first program year. Similarly, the group of clients who enrolled during the second half of the demonstration (April 2002 to December 2002) were mostly served during the second program year.

^bWe present employment data using administrative records for only 12 months (or four quarters). The available data for quarters 5 and 6 were incomplete at the time of our analyses. In contrast, we present TANF and food stamp data for 18 months.

*/**/*** Impact estimates are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.12. Subgroup Differences in the Use of Services and Resources, by Clients' Level of Employability

Characteristic	Less Employable Sample Members			More Employable Sample Members		
	Program Group	Control Group	Difference	Program Group	Control Group	Difference
Any Employment Preparation Service	46.6	29.3	17.4***	47.9	23.5	24.3***
Job search/job placement assistance	34.1	21.8	12.3**	39.8	16.6	23.2***
Job readiness training	25.2	17.4	7.8*	15.6	11.4	4.2
Work-related counseling	11.8	4.2	7.6**	8.4	2.5	5.9*
Any Education or Training	36.9	27.0	9.9*	37.6	32.3	5.4
Life Skills Training	13.1	8.9	4.2	12.4	7.2	5.2
Any Health-Related Service	32.2	30.1	2.0	14.7	18.0	-3.3
Mediation	7.4	2.3	5.1*	8.5	0.8	7.7**
Help Paying for Child Care, Transportation, or Job-Related Supplies	60.1	38.6	21.6***	60.1	33.4	26.6***
Sample Size	138	163		104	97	

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

*/**/*** Differences are statistically significant at the .05/.025/.01 level, one-tailed test.

Table C.13. Subgroup Impacts on Employment, Earnings, and Public Assistance, by Level of Employability

Outcome	Less Employable Sample Members			More Employable Sample Members		
	Program Group	Control Group	Impact Estimate	Program Group	Control Group	Impact Estimate
18-Month Follow-Up Survey Data						
Employed at 18-Month Followup (Percentage)	51.2	51.8	-0.5	56.8	59.9	-3.1
Ever Employed During 18-Month Followup (Percentage)	70.4	71.3	-0.9	78.6	83.2	-4.6
Total Earnings During 18-Month Follow-Up Period (Dollars)	7,775	8,150	-375	10,350	11,668	-1,318
TANF Received Last Month (Percentage)	16.1	16.1	-0.1	7.0	11.5	-4.5
Food Stamps Received Last Month (Percentage)	77.5	72.0	5.5	73.8	67.7	6.1
Living Below Poverty at 18-Month Followup (Percentage)	71.6	67.7	6.9	61.6	55.2	6.4
Sample Size	138	163		104	97	
Administrative Records Data^b						
Ever Employed During 12-Month Follow-Up Period (Percentage)	64.3	63.6	0.7	69.7	68.4	1.3
Total Earnings During 12-Month Follow-Up Period (Dollars)	2,442	3,069	-627	3,617	2,927	690
TANF Receipt						
Received TANF during 18-month follow-up period (percentage)	42.3	29.0	13.3	17.9	26.1	-8.1*
Percentage of months received TANF during 18-month follow-up period	16.2	10.7	5.5	6.0	10.8	-4.7**
Food Stamp Receipt						
Received food stamps during 18-month follow-up period (percentage)	97.0	92.3	4.1	94.6	90.5	4.1
Percentage of months received food stamps during 18-month follow-up period	66.0	66.0	0.1	63.8	60.3	3.5
Sample Size	174	175		129	117	

Table C.13 (continued)

Source: Rural Welfare-to-Work 18-Month Follow-Up Survey, conducted by Mathematica Policy Research, Inc.; and administrative records data from the state of Illinois, compiled by Mathematica Policy Research, Inc.

Note: All estimates were adjusted using multivariate regression methods. The survey data were weighted to account for interview nonresponse. Standard errors of the estimates account for sample weights.

^aWe present employment data using administrative records for only 12 months (or four quarters). The available data for quarters 5 and 6 were incomplete at the time of our analyses. In contrast, we present TANF and food stamp data for 18 months.

*/**/** Significant difference from zero at the .05/.025/.01 level, one-tailed test.