

Child TRENDS FACT SHEET

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WHAT WORKS FOR INCREASING FAMILY INCOME AND PARENTAL EMPLOYMENT: Lessons from Experimental Evaluations of Programs and Interventions

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OVERVIEW

Children living in lower-income and poor families are more likely to suffer from poor physical and mental health,¹ engage in risky and delinquent behaviors,^{2,3,4} fare worse academically, and drop out of school than children from more advantaged backgrounds.^{5,6} Higher income does not guarantee protection from these risks, but is associated with a range of positive short- and long-term outcomes.⁷ Securing steady, parental employment may be one way to increase family income⁸ and, in turn, its potential benefits for child well-being.⁹

WHAT WORKS

This review is based on ten experimental studies from LINKS, the Child Trends database of experimental evaluations of social interventions for children and youth.¹⁰ While much of this work was conducted in the 1990s with welfare recipients, the research reveals several key findings that remain relevant today:

- **Most welfare-based employment and training programs have increased employment and earnings but have not increased total income.** In seven out of eight experiments, welfare recipients who were assigned to employment or short-term educational services did not have higher total incomes than their counterparts in control groups. While participants were usually more likely to work and have higher earnings, their earnings gains were typically offset by reduced benefits and higher taxes. For instance, participants in a welfare-to-work program in Atlanta, which focused on rapid entry to the labor force, earned, on average, \$2,459 more than control group members over a five-year period. Their average combined income over this same period, however, was not significantly higher than the control group average.
- **Wage supplements increase both employment and income.** In two random assignment experiments (one with low-income U.S. families and the other with Canadian long-term welfare recipients), families that were offered wage supplements that increased with earnings were more likely to be employed and have incomes above the poverty level at a three-year follow-up. These impacts, however, might not last much longer than the supplement is offered. In both studies, income differences between treatment and control group families disappeared two years after supplement eligibility expired.
- **Wage supplement and welfare-based programs had small and mixed impacts on child outcomes.** Both wage supplement and welfare-based programs had few substantial positive or negative impacts on children. When impacts were present, outcomes tended to differ by study site or child's age rather than approach.

Overall, significant impacts were not found for most child outcomes. When impacts were found, children ages 3-5 tended to have poorer health outcomes (e.g., having a condition that made their parent's work more difficult), but mixed school outcomes (e.g., being more or less likely to repeat a grade, depending on study site). School-age children of program participants often performed slightly better than their counterparts on measures of health and school performance, whereas adolescents tended to experience small negative impacts, such as decreased academic performance and increased delinquency.

- **Short-term education programs yield minimal benefits.** Welfare recipients who were assigned to basic, short-term educational services (e.g., GED prep, remedial math) were no more likely than those assigned to “work-first” programs to be employed or receive higher earnings over five years. This finding held true even for participants who had no high school diploma or GED at baseline. In fact, because work-first participants began working earlier, they tended to have higher cumulative earnings.

NEEDED RESEARCH

More evaluations are needed for programs targeting all low-income families. Nine of the ten programs presented here included only welfare recipients, which limits our ability to draw conclusions for other low-income populations. Programs targeting current welfare recipients should also be studied further. Many of the interventions presented here began before the 1996 authorization of TANF – an act that dramatically changed welfare regulations and requirements. New evaluations are needed to assess current and innovative programs to address low income and employment.

ENDNOTES

¹ Bradley, R.H. & Corwyn, R.F. “Socioeconomic Status and Child Development”. *Annual Review of Psychology*. 2002: Vol. 53: 371-99. <http://arjournals.annualreviews.org/doi/abs/10.1146/annurev.psych.53.100901.135233?journalCode=psych>

² Haveman, R., Wolfe, B., & Wilson, K. (1997). “Childhood Poverty and Adolescent Schooling and Fertility Outcomes: Reduced-Form and Structural Estimates,” in Duncan, G.J. & Brooks-Gunn, J. (eds.), *Consequences of Growing Up Poor*. New York: Russell Sage Foundation. <http://www.russellsage.org/publications/books/0-87154-143-2>

³ Brooks-Gunn, Jeanne and Duncan, Greg J. (1997). “The Effects of Poverty on Children.” *Future of Children, Child and Poverty*, 7(2). http://www.futureofchildren.org/pubs-info2825/pubs-info_show.htm?doc_id=72141

⁴ Bradley, R.H. & Corwyn, R.F. “Socioeconomic Status and Child Development”. *Annual Review of Psychology*. 2002: Vol. 53: 371-99.

⁵ Bradley, R.H. & Corwyn, R.F. (2002).

⁶ Dahl, G. & Lochner, L. (2005) *The Impact of Family Income on Child Achievement*. Institute for Research on Poverty. Discussion Paper no. 1305-05. <http://www.irp.wisc.edu/publications/dps/pdfs/dp130505.pdf>

⁷ Brooks-Gunn, J., and Duncan, G. 1997. The Effects of poverty on children. *The Future of Children*. 7(2), pp. 55-71. http://www.futureofchildren.org/information2826/information_show.htm?doc_id=72165

⁸ Cauthen, Nancy. 2002. *Policies that improve family income matter to children*. National Center for Children in Poverty. <http://www.nccp.org/media/iec02a-text.pdf>

⁹ Morris, P.A., Gennetian, L.A., and Duncan, G.J. 2005. “Effects of Welfare and Employment Policies on Young Children: New Findings on Policy Experiments Conducted in the Early 1990’s”. *Social Policy Report*. Vol XIX (II). Society for Research in Child Development. <http://www.mdrc.org/publications/407/full.pdf>

¹⁰ <http://www.childtrends.org/links>

Experimental Evaluations of Social Programs that Examined Impacts on One or More Income and Employment Outcomes and Whether They Were Found to Work, Not Proven to Work, or Had Mixed Findings

OUTCOME AREA	NOT PROVEN TO WORK	MIXED REVIEWS	FOUND TO WORK
<p>Parental Employment</p>	<p><i>-Welfare-Based Education-Focused Programs:</i> - NEWWS: Grand Rapids-HCD, Welfare-to-work program mandated most parents with no children under age 1 to enroll in basic education or vocational training, and, as a second step, a job search or vocational training. The program had no impact on employment over a five-year period.</p>	<p><i>-Welfare-Based Employment-Focused Programs:</i> - NEWWS: Grand Rapids-LFA, Welfare-to-work program mandated most parents with no children under age 1 to search for a job (typically through a job club). If no job was found, work experience or in some cases vocational training or basic education were typically assigned. Participants were employed more often than non-participants, but were just as likely as non-participants to have ever been employed over the five-year follow-up period.</p> <p><i>-Welfare-Based Education-Focused Programs:</i> - NEWWS: Atlanta-HCD, Welfare-to-work program that typically assigned basic education activity (e.g., adult education, vocational training) and then a job search or vocational training. Mandatory for parents with no children under age 3. The program moderately increased how often parents were employed over the course of five years, but had no impact on the percentage ever employed.</p>	<p><i>-Wage Supplement Programs:</i> - New Hope, A three-year program for low income families with children that provided wage supplements, job placement assistance, and subsidies for health insurance and child care. During years one and two, the program increased the percentage of parents who had ever been employed and how often parents were employed. Employment impacts, however, declined or became insignificant in subsequent years. The program also increased how often families were employed. - Self-Sufficiency Project, Canadian welfare recipients in the program were offered an income supplement for up to 3 years, if they left welfare, worked at least 30 hours per week, and started working during the first year. During the first year, participants were two times more likely to work than their counterparts in the control group. This impact disappeared by the fifth year of follow-up.</p> <p><i>-Welfare-Based Employment-Focused Programs:</i> -L.A. GAINS Job-First, A welfare-to-work program that emphasized employment through enhanced earnings disregards, job services (e.g., job clubs, job search assistance), and mandatory participation for parents with no children under age 3. The program increased having ever been employed by 10 percentage points for families by the two-year follow-up. -NEWWS: Atlanta-LFA, Welfare-to-work program mandated most parents with no children under age 3 to a job search (typically through a job club). If unsuccessful, participants typically enrolled in a short term education program (e.g., vocational training or adult education). The program modestly increased the percentage of parents who were ever employed and how often they were employed over a five-year period. - NEWWS: Riverside-LFA, Welfare-to-work program mandated parents with no children under age 3 to search for a job (typically through a job club). Participants were strongly encouraged to take any job, and commonly continued job searching until finding one. When compared with controls over five years, participants were substantially more likely to have ever been employed (75 percent vs. 66 percent) and to have been employed more often. - NEWWS: Portland, Welfare-to-work program that emphasized employment, but assigned less-prepared participants to basic education activities (e.g., adult education, vocational training, life skill classes) before a job search. Other participants were immediately assigned to a job search. Activities were mandatory for parents with no children under age 1. The program substantially increased the percentage of parents employed (4 percentage points above control group levels) and how often they</p>

OUTCOME AREA	NOT PROVEN TO WORK	MIXED REVIEWS	FOUND TO WORK
			<p>were employed over a five-year period.</p> <p><i>-Welfare-Based Education-Focused Programs:</i></p> <p>- NEWWS: Riverside-HCD, Education-focused welfare-to-work program for parents with no children under age 3 who had limited academic skills and no high school degree. Participants were typically assigned to adult education and then a job search or vocational training. Over the course of five years, participants were more likely to have ever been employed (6 percentage points above control group levels) and to be employed more often.</p>
<p>Income & Earnings</p>		<p><i>-Welfare-Based Employment-Focused Programs:</i></p> <p>-NEWWS: Atlanta-LFA, Welfare-to-work program mandated most parents with no children under age 3 to a job search (typically through a job club). If unsuccessful, participants typically enrolled in a short term education program (e.g., vocational training or adult education). Participants were more likely to have higher earnings than their control group counterparts (a five-year total of \$2459 more on average), but did not differ in terms of total income.</p> <p>- NEWWS: Grand Rapids-LFA, Welfare-to-work program mandated most parents with no children under age 1 to search for a job (typically through a job club). If no job was found, work experience or in some cases vocational training or basic education were typically assigned. At the five-year follow-up, the program had increased participant earnings as a percentage of combined income (by 9.9 percent, on average); however, the program had no impact on total earnings or income.</p> <p>- NEWWS: Riverside-LFA, Welfare-to-work program mandated parents with no children under age 3 to search for a job (typically through a job club). Participants were strongly encouraged to take any job, and commonly continued job searching until finding one. The program increased earnings over five years by an average total of \$2,549 but had no impact on total income.</p> <p>- NEWWS: Portland, Welfare-to-work program that emphasized employment, but assigned less prepared participants to basic education activities (e.g., adult education, vocational training, life skill classes) before a job search. Other participants were immediately assigned to a job search. Activities were mandatory for parents with no children under age 1. The program substantially increased earnings (by an average, five-year total of \$5,150), but had no impact on total income.</p> <p><i>-Welfare-Based Education-Focused Programs:</i></p> <p>- NEWWS: Atlanta-HCD, Welfare-to-work program that typically assigned basic education activity (e.g., adult education, vocational training) and then a job search or vocational training. Mandatory for parents with no children under age 3. At the five-year follow-up, participants had earned an average total of \$2,017 more than their</p>	<p><i>-Wage Supplement Programs:</i></p> <p>- New Hope, A three-year program for low income families with children that provided wage supplements, job placement assistance, and subsidies for health insurance and child care. Over the first three years of the five-year follow-up, participants had higher earnings and earnings related income (includes the supplement and EITC) and had higher total incomes than non-participants.</p> <p>- Self-Sufficiency Project, Canadian welfare recipients in the program were offered an income supplement for up to 3 years, if they left welfare, worked at least 30 hours per week, and started working during the first year. Over the course of five years, the program increased participants' average combined income by over \$6,000 in total. The program also increased average earnings through the fourth year but had no impact by the fifth year.</p> <p><i>-Welfare-Based Employment-Focused Programs:</i></p> <p>-L.A. GAINS Job-First, A welfare-to-work program that emphasized employment through enhanced earnings disregards, job services (e.g., job clubs, job search assistance), and mandatory participation for parents with no children under 3. Over the two-year follow-up period, the program increased wage earnings by an average of 26% for single families and 31% for two-parent families. In year two, program participants experienced modest gains in income, and, when including EITC benefits, experienced substantial gains in income (an average of \$1,034 more over two years—9 percent higher than non-participants' income).</p>

OUTCOME AREA	NOT PROVEN TO WORK	MIXED REVIEWS	FOUND TO WORK
		<p>counterparts in the control group but did not differ in terms of average total income.</p> <ul style="list-style-type: none"> - NEWWS: Grand Rapids-HCD, Welfare-to-work program mandated most parents with no children under age 1 to enroll in basic education or vocational training, and, as a second step, a job search or vocational training. At the five-year follow-up, the program had increased participant earnings as a percentage of combined income (by 5.7 percent, on average); however, the program had no impact on total earnings or income. - NEWWS: Riverside-HCD, Education-focused welfare-to-work program for parents with no children under age 3 who had limited academic skills and no high school degree. Participants were typically assigned to adult education and then a job search or vocational training. At the five-year follow-up, the program had increased participant earnings as a percentage of combined income (by 3.5 percent, on average); however, over five years, participants had lower incomes than their counterparts in the control group (\$2,387 lower, on average). 	
<p>Child Outcomes: Academic</p>	<p><i>-Welfare-Based Employment-Focused Programs:</i></p> <ul style="list-style-type: none"> - NEWWS: Portland, Welfare-to-work program that emphasized employment but assigned less-prepared participants to basic education activities (e.g., adult education, vocational training, life skill classes) before a job search. Other participants were immediately assigned to a job search. Activities were mandatory for parents with no children under age 1. At a five-year follow-up, the program had no overall impacts on having repeated a grade, dropped out of high school, been suspended or expelled, or attended a special needs class. No differences by age. 	<p><i>-Wage Supplement Programs:</i></p> <ul style="list-style-type: none"> - Self-Sufficiency Project, Canadian welfare recipients in the program were offered an income supplement for up to 3 years, if they left welfare, worked at least 30 hours per week, and started working during the first year. Children who were ages 3-4 and 6-11 had slightly higher math scores at the five- and three-year follow-ups, respectively. Children who were adolescents at the program's start were more likely to have a parent report below average school performance at the three year follow-up. <p><i>-Welfare-Based Employment-Focused Programs:</i></p> <ul style="list-style-type: none"> - L.A. GAINS Job-First, A welfare-to-work program that emphasized employment through enhanced earnings disregards, job services (e.g., job clubs, job search assistance), and mandatory participation for parents with no children under 3. At a two-year follow-up, children of program participants who were ages 3-18 were less likely to be suspended or expelled than children of non-participants (9.3 percent vs. 12.9 percent) but did not differ in terms of academic performance or attainment. Differences by age: The program had negative impacts on repeating a grade for children ages 3-5 (at start of program) and for attending a special needs class for children ages 6-9. - NEWWS: Grand Rapids-LFA, Welfare-to-work program mandated most parents with no children under age 1 to search for a job (typically through a job club). If no job was found, work experience or in some cases vocational training or basic education were typically assigned. At a five-year follow-up, the program had no overall impacts on having repeated a grade, dropped out of high school, been suspended or expelled, or attended a special needs class. Differences by age: Children who were toddlers at the program's start were less likely to have ever 	<p><i>-Wage Supplement Programs:</i></p> <ul style="list-style-type: none"> - New Hope, A three-year program for low income families with children that provided wage supplements, job placement assistance, and subsidies for health insurance and child care. At a five-year follow-up, the program had little overall impact on children's academic abilities, aside from modestly improving parental ratings of reading achievement. Differences by age: The program also had modest, positive impacts on adolescents' school progress reports. <p><i>-Welfare-Based Employment-Focused Programs:</i></p> <ul style="list-style-type: none"> - NEWWS: Atlanta-LFA, Welfare-to-work program mandated most parents with no children under age 3 to a job search (typically through a job club). If unsuccessful, participants typically enrolled in a short term education program (e.g., vocational training or adult education). At a five-year follow-up, children of program participants who were adolescents at the program's start were less likely to be suspended or expelled.

OUTCOME AREA	NOT PROVEN TO WORK	MIXED REVIEWS	FOUND TO WORK
		<p>been suspended or expelled; however, adolescents were more likely to have ever repeated a grade.</p> <p>- NEWS: Riverside-LFA, Welfare-to-work program mandated parents with no children under age 3 to search for a job (typically through a job club). Participants were strongly encouraged to take any job, and commonly continued job searching until finding one. At a five-year follow-up, children of program participants were more likely to exhibit externalizing or internalizing behaviors and hyperactivity. Differences by age: Children who were ages 6-9 at the program's start were less likely to have been suspended or expelled and children who were ages 3-5 were less likely to repeat a grade. However, those who were adolescents at the program's start were more likely to repeat a grade.</p> <p><i>-Welfare-Based Education-Focused Programs:</i></p> <p>- NEWS: Atlanta-HCD, Welfare-to-work program that typically assigned basic education activity (e.g., adult education, vocational training) and then a job search or vocational training. Mandatory for parents with no children under age 3. At a five-year follow-up, children whose parents participated in the program were less likely to have a teacher report a disciplinary problem that resulted in parent(s) being notified during the current school year (42.4 percent vs. 55.8 percent); however, they were also more likely to have more school absences during the current school year.</p> <p>- NEWS: Grand Rapids-HCD, Welfare-to-work program mandated most parents with no children under age 1 to enroll in basic education or vocational training, and, as a second step, a job search or vocational training. When compared with children of non-participants at a five-year follow-up, children of program participants were more likely to have repeated a grade (21.9 percent compared with 16.9 percent) but did not differ in the likelihood of having been suspended or expelled, dropped out of high school, or attended a special needs class. Differences by age: Children who were adolescents at the program's start were more likely to repeat a grade, whereas children who were toddlers were less likely to be suspended or expelled.</p> <p>- NEWS: Riverside-HCD, Education-focused welfare-to-work program for parents with no children under age 3 who had limited academic skills and no high school degree. Participants were typically assigned to adult education and then a job search or vocational training. At a five-year follow-up, children of program participants were more likely to have more school absences during the current school year. Differences by age: Children who were ages 6-9 at the start were less likely to have been suspended or expelled, but those who were adolescents were more likely to have repeated a grade.</p>	

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Child Outcomes: Health & Behavior	<p><i>-Welfare-Based Employment-Focused Programs:</i></p> <p>-L.A. GAINS Job-First, A welfare-to-work program that emphasized employment through enhanced earnings disregards, job services (e.g., job clubs, job search assistance), and mandatory participation for parents with no children under age 3. At a two-year follow-up, the program had no overall impact for children ages 3-18 on injuries or difficult conditions. Differences by age: Children ages 3-5 were more likely to have a condition that made their parent's work difficult.</p> <p>- NEWWS: Portland, Welfare-to-work program that emphasized employment, but assigned less-prepared participants to basic education activities (e.g., adult education, vocational training, life skill classes) before a job search. Other participants were immediately assigned to a job search. Activities were mandatory for parents with no children under age 1. At a five-year follow-up, the program had no overall impact on having a condition requiring frequent medical attention, the number of required emergency room visits, or having a condition that limited mother's ability to go to work or school. Differences by age: No differences.</p> <p><i>-Welfare-Based Education-Focused Programs:</i></p> <p>- NEWWS: Atlanta-HCD, Welfare-to-work program that typically assigned basic education activity (e.g., adult education, vocational training) and then a job search or vocational training. Mandatory for parents with no children under age 3. Children who were ages 3-5 at the start of the study were more likely to have a condition requiring frequent medical attention after five years (5.3 percent vs. 1.8 percent for children of non-participants). No differences for all children or children of other ages were found.</p> <p>- NEWWS: Riverside-HCD, Education-focused welfare-to-work program for parents with no children under age 3 who had limited academic skills and no high school degree. Participants were typically assigned to adult education and then a job search or vocational training. At a five-year follow-up, children of program participants were more likely to have had a condition that limited their mother's ability to go to work or school (13.9 percent vs. 9.9 percent). The program had no impact number of required emergency room visits or having had a condition that required frequent medical attention. Differences by age: No differences.</p>	<p><i>-Wage Supplement Programs:</i></p> <p>- Self-Sufficiency Project, Canadian welfare recipients in the program were offered an income supplement for up to 3 years, if they left welfare, worked at least 30 hours per week, and started working during the first year. The program had positive impacts on children's health for those ages 6-11 (at program start), but negative impacts on adolescents' involvement in minor delinquent activities.</p> <p><i>-Welfare-Based Employment-Focused Programs:</i></p> <p>-NEWWS: Atlanta-LFA, Welfare-to-work program mandated most parents with no children under age 3 to a job search (typically through a job club). If unsuccessful, participants typically enrolled in a short-term education program (e.g., vocational training or adult education). Children of program participants were less likely to have had a baby as a teen (14.8 percent vs. 19.3 percent for children of non-participants), less likely to exhibit externalizing or internalizing behavior, and more likely to exhibit interpersonal skills. Children ages 3-5 were more likely to have a condition requiring frequent medical attention or a condition that limited their mother's ability to go to work or school.</p> <p>-NEWWS: Grand Rapids-LFA, Welfare-to-work program mandated most parents with no children under age 1 to search for a job (typically through a job club). If no job was found, work experience or in some cases vocational training or basic education were typically assigned. At a five-year follow-up, the program had no overall impact on having a condition requiring frequent medical attention, the number of required emergency room visits, or having a condition that limited mother's ability to go to work or school. Differences by age: Children who were toddlers at the program's start were less likely to have a condition requiring frequent medical attention.</p> <p>- NEWWS: Riverside-LFA, Welfare-to-work program mandated parents with no children under age 3 to search for a job (typically through a job club). Participants were strongly encouraged to take any job, and commonly continued job searching until finding one. At a five-year follow-up, the program had no overall impact on having a condition requiring frequent medical attention, the number of required emergency room visits, or having a condition that limited mother's ability to go to work or school. Differences by age: Children who were ages 3-5 at the program's start were less likely to have a condition that limited their mother's ability to go to work or school, and children who were adolescents were less likely to have a condition requiring frequent medical attention.</p>	<p><i>-Welfare-Based Education-Focused Programs:</i></p> <p>- NEWWS: Grand Rapids-HCD, Welfare-to-work program mandated most parents with no children under age 1 to enroll in basic education or vocational training, and, as a second step, a job search or vocational training. Overall, the program decreased the likelihood children had a condition that limited their mother's ability to go to work or school (10.4 percent vs. 14.7 percent). Differences by age: Children who were toddlers at the program's start were less likely to have a condition requiring frequent medical attention.</p>