

The Evolution of Income Security Research—1968-2003

By Barbara B. Blum

During the past 35 years, the United States has experienced an unprecedented upsurge in research focused on income security. These studies have created an impressive knowledge base and suggest a pattern of evolution in design, methodology, “ownership,” and influence on policy and practice. Of particular importance has been the increasing collaboration among researchers, policymakers, and practitioners in planning and evaluating research and suggesting policy changes.

Negative Income Tax Experiments, Conflicting Findings in 1960s

The focus on income maintenance experiments emerged from the War on Poverty of the mid-1960s and the field of economics as the dominant discipline for poverty-related research in that generation. As early as 1968, a series of income maintenance experiments was launched to study variants of the negative income tax (NIT). Outcomes measured included hours of work and marital stability, among others. The NIT was conceived as an income “guarantee” designed to increase with family size and to replace the existing welfare system.

It is important to note that despite the interest in replacing income maintenance programs then in effect, most of the research was conducted outside state welfare systems and the findings took a long time to be analyzed and released. This created problems in discerning and interpreting the effects of the NIT. While in two sites, Seattle and Denver, the research was more closely integrated with the welfare system, variations in design and execution over multiple sites created a range of sometimes conflicting findings concerning changes in hours worked and marital stability, and led to many questions about the feasibility and costs of instituting a negative income tax program. Major changes in the welfare programs proposed by President Richard M. Nixon, and later President Gerald R. Ford, would have reflected some of the principles of the NIT approach, but the research findings were not available during the legislative debates, and the proposals were ultimately defeated.

Early Supported Work Research Beginning in 1975 Shows Promise

The National Supported Work Demonstration, which commenced in 1975, used a very different program strategy. Through close supervision, peer support, and graduated performance standards, the experimental groups were prepared for transition to unsubsidized employment after 12 to 18 months. Four groups participated in experimental and control samples. They included ex-addicts, ex-offenders, youths, and long-term AFDC participants (Aid to Families with Dependent Children—the pre-TANF cash assistance program).

The experiment measured employment and earnings reductions in welfare dependence as well as reductions in drug use and criminal activities. Supported work

Note from Research Forum Director—Barbara B. Blum

This issue of *the forum* draws selectively from a multitude of studies on income security to describe rigorous research to measure the effects of particular government policies on income, employment, and family well-being. The text tracks early and subsequent research during the 1980s, 1990s, and the first three years of the 21st century. Its purpose is to suggest how these studies changed in design and focus, how the findings were received by policymakers and practitioners, and how researchers and the social science field amended their own practices and mode of operations based on the research.

increased earnings and employment for the AFDC group, with participants' income on average about 28 percent higher than the income of control group members. These effects persisted up to 40 months after participation in supported work ended. Effects for the other subgroups were mixed and sometimes negative.

State System Welfare/Work Demonstrations Spur Family Support Act in 1988

The findings from the National Supported Work Demonstration set the stage for an important round of experiments related to AFDC. During the early 1980s, eight states participated in work/welfare demonstrations. While the treatments provided across the states varied greatly, these experiments were all designed to measure effects on income, employment, and welfare dependence. All of the programs operated under the aegis of the state welfare agency.

States participating included Illinois, Arkansas and West Virginia with very spartan interventions; Virginia with a somewhat more ambitious design; New Jersey using a grant diversion strategy; and Maryland, California, and Maine with more complex treatments. Arizona conducted a process study only.

Despite the variations in administration and design, findings from most of the studies showed modest increases in earnings and modest reductions in welfare dependence. These findings and the experience of implementing welfare/work experiments helped to shape the Family Support Act (FSA), the federal statute enacted in 1988. That statute mandated that 7 percent of work-mandatory AFDC recipients (about half of the caseload)—gradually increasing to 20 percent by 1995—participate in work or work-related activities (including education) and provided federal funds to support these activities and child care required by participants.

Waivers Used in Economic Downturn to Test New Rules by 1990s

The Family Support Act implementation coincided with a serious downturn in the national economy that contributed to increases in welfare caseloads in many jurisdictions and increased fiscal demands on most states. The liberalized waiver authority of the late 1980s and early 1990s permitted states to be innovative and entrepreneurial with their programs through the use of waivers. Thus, numerous states requested waiver authority (available under FSA) to test whether strategies such as time limits, family caps (a limitation on benefits for children conceived on welfare), and stronger

work requirements would have an impact on entry to employment and reduction in caseloads.

Separate and apart from the waiver experiments, a number of important studies were already underway or contributing findings in the early 1990s. California's GAIN initiative produced a series of findings that have influenced the field, particularly highlighting the value of the job search strategies. New York State's Child Assistance Program, based on earlier waiver experiments, produced evidence that work and child support incentives can have effects beneficial for some families. The New Hope Program in Wisconsin combined several interventions that seem to have positively affected children in low-income families over time.

Research Increasingly on Preparation and Staying at Work in 1990s

During this period, the National Evaluation of Welfare-to-Work Strategies (NEWS) evaluation, which had evolved from the Job Opportunities and Basic Skills Training (JOBS) experiment, was examining the effectiveness of two approaches to prepare individuals for employment—human capital investment versus early labor force attachment. Operating in seven sites, the employment-focused approach (i.e., early labor force attachment) produced more positive findings. For the first time, new instruments were developed to measure the well-being of children on welfare.

In Michigan, the Women's Employment Study, begun in early 1997, has examined the influence on employment of a set of clearly defined barriers. Conducted in five waves, interviews are designed to identify key factors that enable women to remain employed. The study, which has tracked a panel of participants over six years, has produced information that practitioners can use in assessing the needs of welfare recipients and has served to inform policymakers.

Three projects, the Canada Self Sufficiency Project (CSSP), Connecticut's Jobs First Program, and the Minnesota Family Investment Program (MFIP), used financial incentives to alleviate poverty and encourage work. In both projects, findings were generally positive for the adult participants. In addition, elementary school-aged children benefited from supplements to family income.

Nature of Leavers and Stayers Emphasized in Current Law Research

In 1996, a new statute was signed into law. Entitled the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the act provided for very

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drastic changes in AFDC that became the Temporary Assistance for Needy Families (TANF) program. Participation rates in work were established at 25 percent in fiscal year 1997, increasing to 50 percent by fiscal year 2002, with significant adjustments for caseload reductions; recipients' receipt of federal funds was limited to five years, a time period that could be reduced at state option; work was required after two years in the TANF program, and sanctions must be applied for noncompliance. One purpose of the statute is to provide assistance to children so that they may be cared for in their own home or the homes of relatives.

As TANF was implemented and as the waiver experiments began to produce findings, interest developed at the federal and state levels in the outcomes for leavers—those exiting the caseload—and stayers—those unable or unwilling to leave TANF.

The federal government commissioned two studies to address the subject of leavers and stayers. The first examined characteristics of those leaving, reasons for leaving, how leavers fare, what barriers leavers face in transitioning, and how leavers' children are affected. Twenty states were studied, although differences in the time periods studied and in definitions and data make state comparisons difficult. Nevertheless, useful information about employment and earnings, household income, material hardship, and child well-being has been gleaned from the research findings.

A second study involved analyzing caseloads in five states. Three groups were examined: individuals who leave welfare and remain without benefits for at least one year; individuals who stay on TANF; and those that cycle on and off. Again, relevant information about characteristics, barriers, and incentives emerged.

Research on Child and Family Well-being Becomes Primary Focus by 1990s

Unlike the late 1960s and early 1970s, where poverty and welfare policy research was focused more on an income-transfer paradigm, the late 1980s and early 1990s saw a return to a more complex, eclectic view of poverty. Research once more focused on underlying issues such as family dynamics, intergenerational issues, and community effects. Correspondingly, outcomes of in-

terest also became more complex. During this period, an interesting cohort of studies was developing with a focus on the well-being of families and children and their behavior during the period of welfare reform following the passage of PRWORA.

One study, the Fragile Families and Child Well-Being Study, was designed to investigate two aspects of PRWORA: (1) TANF work requirements and time limits and (2) stricter paternity establishment and child support regulations within the context of labor market conditions. Operating in 20 cities, researchers interviewed parents at the birth of their infants and subsequently, in order to examine the relationships between work, welfare, child care, child support, and self-sufficiency. Already surveys and ethnographic research have produced an impressive array of knowledge, much of it related to marriage issues that have surfaced as a major component of pending legislation.

Another study, the Project on Devolution and Urban Change, examines how states, urban counties, and large cities have restructured social welfare programs to determine how the changes affect low-income citizens and why. Components assessed include time limits, sanctions, work requirements, income disregards, and transitional services. Operating in four sites, the project provides a range of information about systems and management priorities by using multiple methodologies, including analysis of administrative data, surveys, and ethnography.

A third study, Welfare, Children, and Families: A Three-City Study, analyzes the effects of welfare on the well-being of children and families and has followed the families as welfare changes evolved. The study includes longitudinal surveys, embedded developmental studies, and comparative ethnographic studies. As with other research, this study shows—but, in greater detail—the complexities of living in low-income neighborhoods.

A more recently developed project, the Employment, Retention, and Advancement (ERA) evaluation, is a nine state, 15 program study to help low-wage workers sustain employment and advance. Sites use one or a mix of education, training, and work-based strategies to implement innovative programs that meet the prescribed goals. The project has produced information

on the implementation experience and will be providing impacts and costs information later in 2004. The implementation, impact, and cost information is designed to be especially useful for practitioners, but should also inform policymakers.

Research Leadership Changing to Collaborative Model

While all sound research is based on theory and related hypotheses, the ways in which theory has been developed and research has been designed has changed in interesting ways over the past 35 years. During 1968-1972, when a negative income tax was tested in the income maintenance experiments, it was federal policymakers who formulated the purpose of the research and research firms that designed the studies. Much the same approach occurred with the Supported Work Demonstration, with a research firm (MDRC) in the lead supported by generous federal funding. Subsequently, philanthropic and federal support have been critical to broadening the research agenda in recent decades.

With the work/welfare demonstrations in the 1980s, state administrators became instrumental in determining the purpose of each experiment (e.g., to test welfare, education, and training) while the researchers developed methods to measure income, employment, and welfare dependence. States played an even stronger role with the waiver experiments of the 1990s, although research firms were very much involved, given the rigorous federal requirements. While the NEWWS (JOBS) study was largely the product of federal and research firm collaboration, states and localities were necessarily deeply involved and shared an interest in the questions being addressed.

Later, with the development of the Michigan study, the New Hope project, CSSP, and MFIP, a new synergy became apparent in the process for designing and implementing studies addressing questions of interest to public policymakers and researchers. While significant synergy continues in the Fragile Families and Child Well-Being Study, in the Project on Devolution and Urban Change, and in the Welfare, Children, and Families: A Three-City Study (otherwise localities would not participate), researchers have taken the lead in creating new and collaborative methods to answer important questions. Similarly with ERA, synergy has been essential to join federally supported social science research, state and local interests, as well as community-based organizations in designing and building a remarkably dynamic experiment.

While the trends suggested have not been totally consistent, (particularly when the full range of research studies is considered) increased collaboration among researchers, policymakers, and practitioners is encouraging. The cadre of researchers now engaged in addressing income security issues can influence policy and practice in very important ways so long as their research is sustained. Increased collaboration among researchers, policymakers, and practitioners has also created new potential for addressing complex research issues, such as the effectiveness of service integration initiatives. Collaboration also enables important activities such as cross-program research and research synthesis and meta-analysis efforts.

Current and Neglected Research Topics Include Immigrants, Marriage

The most active cohort of research now being developed addresses interventions, trends, and issues related to marriage. More than 12 studies have already been funded and are being implemented. Given the paucity of reliable information currently available, this research is designed to be useful in shaping better policies to support healthy marriages.

Still missing is research to improve our knowledge about several specific populations. Studies should be designed to guide interventions in the following areas:

- Limited research has been developed to measure the effects of PRWORA on immigrant populations, many of whom lost welfare benefits under this program. While some groups of immigrants are doing well, policymakers need to address the needs of others.
- Much has been learned about low-income children in the last several years, but much has still to be understood, in particular the use and effects of child care.
- Research building on the early analyses of caseloads is needed to improve our knowledge of “leavers,” “stayers,” and “cyclers” in order to understand the dynamic interaction of work and welfare in different economic and policy settings.
- Improved administrative data systems as well as further refinement in research design and methodologies merit support.
- Housing and transportation have been found to be major barriers in the transition from welfare to work, but more information is needed on effective policy solutions.
- Detailed research findings should inform new policy on emerging issues such as marriage and family stability.

Selected Research Studies on Income Security: 1968–2003

| STUDY | DURATION | PURPOSE |
|--|--|--|
| Negative Income Tax Experiments • New Jersey, Pennsylvania • Rural • Seattle, Washington; Denver, Colorado • Gary, Indiana | 1968–1972 1969–1973 1971–1982 1971–1974 | To test variants of the negative income tax program (NIT) on various recipient outcomes. |
| National Supported Work Demonstration | 1975–1978 | To study effects and costs of supported work environment for disadvantaged workers. |
| Welfare-to-Work Experiments Selected sites • Arkansas WORK Program • Baltimore, Maryland Options Program • San Diego, California Saturation Work Initiative Model (SWIM) • Virginia Employment Services Program | 1983–1986 1982–1985 1985–1987 1983–1986 | To measure different means to increase the employment of welfare applicants and recipients. |
| GAIN Evaluation | 1989–1997 | To study the effects of GAIN, which aimed to increase employment and foster self-sufficiency among recipients of AFDC. |
| New York Child Assistance Program Evaluation (NY CAP) | 1989–1996 | To study the effects of the NY CAP program which used work and child support incentives to motivate AFDC recipients to take steps towards financial self-sufficiency. |
| National Evaluation of Welfare-to-Work Strategies (NEWWS) | 1991–2002 | To study the effectiveness of 11 mandatory JOBS welfare-to-work programs in seven locales across the United States. |
| Canada Self Sufficiency | 1992–2003 | To study the effectiveness of temporary earnings supplements to increase employment and income among long-term welfare recipients with the aim of simultaneously reducing both poverty and welfare dependence. |
| Minnesota Family Investment Program (MFIP) Evaluation | 1994–Ongoing | To examine the effects of MFIP on encouraging work, alleviating poverty, and reducing welfare dependence. |
| Connecticut’s Job First Evaluation | 1996–2002 | To study the effects of time limits, work incentives, and mandatory employment services on increasing employment and self-sufficiency. |
| New Hope | 1994–2006 | To study the effects of the New Hope Program, a demonstration program that provided work supports to increase employment and income of participants. |
| Project on Devolution and Urban Change | 1997–Ongoing | To examine how states, urban counties, and large cities restructure social welfare programs following welfare reform and to understand what difference these policies make in the lives of low-income Americans. |
| Fragile Families and Child Wellbeing Study | 1997–Ongoing | To provide new information on the capabilities and relationships of unwed parents, as well as the effects of policies on family formation and child well-being. |
| Women’s Employment Study | 1997–Ongoing | To study barriers to employment among welfare mothers in Michigan. |
| Welfare, Children, and Families: A Three City Study | 1997–Ongoing | To study the effects of welfare reform on the well-being of children and families and to follow these families as welfare reform evolves in Boston, Chicago, and San Antonio. |
| Employment, Retention, and Advancement (ERA) Evaluation | 1999–2007 | To analyze the effects of the various ERA demonstrations on employment retention, advancement, and other key outcomes. |

RESEARCH FORUM

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

Research Forum Advisors

Thomas Corbett *Institute for Research on Poverty*
Sandra Danziger *University of Michigan*
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Donald Oellerich *ASPE, DHHS*
Deborah Phillips *Georgetown University*
Howard Rolston *The Brookings Institution*
Barry L. Van Lare *MAXIMUS, Inc.*

Research Forum Staff

Barbara B. Blum *Director*
Jennifer Farnsworth Francis *Research Associate*
Sharmila Lawrence *Research Analyst*
Michelle Chau *Research Assistant*
Carole J. Oshinsky *Managing Editor, National Center for Children in Poverty*

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COLUMBIA UNIVERSITY
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