

**Can Education Reduce Welfare Rolls?:
A Study of California's GAIN Program**

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ABSTRACT

Welfare programs often attempt to reduce their welfare rolls by pushing recipients into immediate employment, while others provide education and training to people before expecting them to re-enter the job market. In some states, such as California, counties are allowed flexibility in the implementation of welfare programs. This allows the counties to choose to focus on immediate job placement, educating recipients, or a combination of the two.

This study examines three different implementation strategies of California's Greater Avenues for Independence Program (GAIN) in order to determine if the county which focused heavily on educating GAIN participants was most successful in reducing its welfare roll.

Table of Contents

Chapter 1: Introduction	1
The Connection between Education and Employment	2
Welfare Dependency	8
The Development of AFDC	10
The FSA and JOBS.....	14
The Development of the GAIN Program	16
Changes in National and State Welfare Policy.....	19
Organization of the Thesis	20
Chapter 2: Research Design	22
Comparative Case Study.....	23
Propositions	27
Operationalization of the Independent Variable.....	27
Operationalizations of Dependent Variable	29
Data Sources and Analysis	30
Hypotheses	32
Alternate Hypothesis	32
Limitations of the Research	33
Chapter 3: Data Analysis	38
County Success Rates	38
Comparative County Success Rates	43
Explanation of the Results.....	48
Chapter 4: Conclusions	62
Summary of the Findings	62
Evaluation of the Findings	63
Analysis of the Findings	66
Conclusions.....	70
Recent Developments in County Programs.....	70
Directions for Future Research	71
References.....	74
Appendix: County Data	81
Vita.....	87

List of Tables

Table 1: Distribution of Unemployment Rates Across.....	3
Educational Levels	
Table 2: Distribution of Wages by Educational Categories.....	4
Table 3: Variables Being Held Constant	26
Table 4: Indicators of GAIN Program Design	28
Table 5: Support for Hypotheses While Indicators are	62
Unstandardized	
Table 6: Support for Hypotheses While Indicators are	63
Standardized by Unemployment Rate	

List of Figures

Figure 1: GAIN Caseloads as Proportions of Welfare Recipients	37
Figure 2: County Unemployment Rates	49
Figure 3: Unstandardized Success Rates in Alameda County	50
Figure 4: Success Rates in Alameda County When Indicators	51
Are Standardized by Unemployment Rate	
Figure 5: Unstandardized Success Rates in San Diego County	52
Figure 6: Success Rates in San Diego County When Indicators.....	53
Are Standardized by Unemployment Rate	
Figure 7: Unstandardized Success Rates in Riverside County	54
Figure 8: Success Rates in Riverside County When Indicators	55
Are Standardized by Unemployment Rate	
Figure 9: Unstandardized Rate of GAIN Participants Entering	56
Unsubsidized Employment	
Figure 10:Unstandardized Rate of GAIN Participants	57
Leaving AFDC	
Figure 11:Unstandardized Rate of Grant Reductions.....	58
Figure 12:Ratio of GAIN Participants Who Entered	59
Unsubsidized Jobs to County Unemployment Rate	
Figure 13:Ratio of GAIN Participants Who Left AFDC Due to	60
GAIN-Related Jobs to Unemployment Rate	
Figure 14:Ratio of Grant Reductions to Unemployment Rate	61

Chapter 1

Introduction

Each year, a significant amount of government money is put towards the task of preventing and alleviating poverty and welfare dependence in the United States. By the mid-1980s, the amount spent on social service programs had reached nearly \$400 billion of federal, state, and local government funds (Leach and O'Rourke 1988) and has continued to grow since then. This combination of funds finances many different types of social welfare programs, including Social Security and Medicare, the most expensive social programs, which have been widely supported by many American voters. The recent emphasis on balancing the national budget has led politicians to look at social welfare programs as a potential source of savings and as a collection of programs that are badly in need of reform. Efforts at reducing the social service budget have focused to a great extent on the much more controversial public assistance programs geared towards providing for impoverished Americans. In focusing on these programs, policy makers have been trying to rid the country of what they believe is a large "welfare dependent" population. In reality, this portion of the welfare caseload may be only about 15% of the total. Nor do welfare reforms pay attention to the much larger number of working Americans who live in poverty (Schwarz and Volgy 1992, 64-65).

These efforts at reform were initially geared towards revamping federal programs, but, in recent years, states have become more and more the focus of reform attempts. This shift to state-operated welfare programs has been a long and slow process of change. Along with this shift has been a coinciding change in the types of reforms enacted. One thing does remain constant

throughout the welfare reform debate, and that is a desire to get welfare recipients employed and off public assistance.

The emphasis on serving a "welfare dependent" population has led many state welfare programs to overlook a possible avenue out of welfare--increased education. A "welfare dependent" individual, according to this view, would not be expected to benefit from increased education, because the reasons for his or her dependency would remain. He or she would still lack a work ethic and a desire to take responsibility for his or her own life. As a result of this perceived problem, many legislators have adopted the stance that welfare recipients must be forced to work, so that they will stop "abusing" the system.

This thesis began with the view that education is a major contributor to an individual's employability and income potential, and thus should be included in state welfare programs. Evidence for such a connection was sought through an examination of one state's welfare program. California's Greater Avenues for Independence (GAIN) Program¹ allowed the state's counties to incorporate varying levels of educational services into their local implementations of the program. Three counties that offered different amounts of education were chosen to be the specific objects of study.

The Connection between Education and Employment

An individual's educational level can often be an important determinant of his or her employability and earning potential in the labor market. Unemployment rates among people with lower levels of education are often much higher than the rates for people who have higher levels of education

¹This program was replaced in August 1997 by the California Temporary Assistance Program (CALTAP).

(see Table 1). Those less educated individuals who do manage to find employment often discover that their earnings are much lower than the national average and are insufficient to support themselves and their families. Fewer people with high school educations or above make such low wages. The great disparity in wages is evidenced by the fact that less than two percent of people with less than high school educations make over \$20/hour, while nearly 30% of college graduates make more than \$20/hour (see Table 2). Educational levels can therefore be determined to be "strongly correlated with earnings" (Blank 1995, 43), but are not causally related to earnings.

Table 1: Distribution of Unemployment Rates Across Education Levels

Education Level	Unemployment Rate (%)
Less than high school	16.3
High school degree	8.8
Some post-HS training	6.4
College degree or higher	3.3

Source: R. Blank, "Outlook for the U.S. Labor Market" 1995.

These facts are perhaps what led some of the developers of the GAIN legislation to push for GAIN to become a program that focused almost entirely on improving the academic credentials of GAIN participants, rather than simply trying to get people off public assistance as quickly as possible by placing them in any available jobs. This group was perhaps drawing upon a portion of "human capital theory" to support their perspective. A major component of the theory deals with the investment of time and money in education. Gary S. Becker, one of the developers of human capital theory,

suggested a possible explanation for poverty and a means of combating it. He believed that formalized schooling leads to the development of specialized cognitive skills and increased knowledge, which, in turn, raise real income and increase productivity (Becker 1975, 37-40; Knox et al. 1993, 26-27). Effort and money invested in education, while tying up resources in the short term, are expected to yield valuable financial and intellectual returns in the future (Baumol and Becker 1996, 4; Shultz 1995, 5). Since many impoverished people had not made this investment in their education and thus "lacked highly developed verbal and cognitive skills, it stood to reason that they could not command the salaries earned by more productive workers." If the government invested its funds in education for the poor, they would then be more "attractive to the labor market" (Kelso 1994, 51).

Table 2: Distribution of Wages by Education Categories

Education Category	< \$5/hr (%)	\$5 - \$10/hr (%)	\$10 - \$20/hr (%)	\$20/hr + (%)
Less than HS	24.1	53.1	21.3	1.5
High school degree	11.0	47.6	36.8	4.6
Some post-HS	10.0	41.0	41.3	7.7
College degree +	2.7	18.5	49.0	29.8

Source: R. Blank "Outlook for the U.S. Labor Market" 1995.

Many advocates see human capital theory as pointing to a way to reduce poverty by increasing each individual's marketable skills (Schram 1995, 45). These skills would place the welfare recipients in much higher demand and allow them to leave the welfare rolls and enter the labor market. They would then be able to obtain employment that required a greater amount of human capital than they had previously had (Rank 1994, 26-27 and 176-178).

Advocates of the human capital approach also believe that investment in education generally (not just for the welfare population) and increased educational opportunities will decrease the number of undereducated workers. This focus on education is expected to lead to an increase in the wages of semi-skilled workers. Income differences between the poor and the affluent would then diminish (Kelso 1994, 51-53).

Human capital theory relies on the assumption that welfare recipients are not much different from the rest of the population. A ten-year study done by Mark Robert Rank (1994) found that welfare recipients work just as hard as the rest of the population, but have had far fewer opportunities to get ahead. Many welfare recipients were raised in families without the financial means to provide sufficient educations to make them competitive in the work force. Some were forced to leave school or spend little time on their studies in order to work to help support their families. It may be these and other early hardships, not a lack of desire or ability, that caused many people to fall back on welfare payments as their primary means of financial support.

Two experiments undertaken during the early 1980s in Baltimore and San Diego provided evidence of the value of the development of human capital through education. In both sites, just under 20 percent of AFDC recipients were enrolled in intensive education and training programs. The programs in both cities yielded large income gains for the treatment group and reduced the average welfare payments to them to between eight and 14 percent of the average benefits paid to the rest of the welfare population. Despite these very promising results, the programs were not expanded to include more of the welfare population in these and other locations because they were discovered to be far "too expensive" to be politically feasible. Less costly programs were developed instead, in the hopes that they would be able to

achieve similar reductions in welfare payments and increases in recipient incomes (Burtless 1995, 95-99).

Other than the experiments in Baltimore and San Diego, very little research has been done on the effects of education on impoverished individuals. There are "virtually no recent studies that document the types of educational programs and resources" that most benefit the poor (Kates 1992, 3). To remedy this lack of knowledge on the issue, the Center for Women Policy Studies followed 12 low income women before, during, and after participation in subsidized higher education. The study found that while most of the women had to struggle to make ends meet during the time they were in college, their financial gains and increased job satisfaction made the struggle worthwhile for them (Kates 1991, 8-18). These results suggest that providing education to welfare recipients can have benefits.

This thesis is grounded in the above argument regarding the relationship between educational level and employment status, and attempts to help fill the void in the literature on this subject. All of my hypotheses are based on the assumption that higher levels of education will lead to better employment rates and higher wages, which I believe should be the goal of welfare programs. Increased employment and better wages are likely to keep people off welfare by allowing them to avoid financial hardships. These changes will, in turn, lead to a reduction of expenditures on the programs, which seems to be a goal of many politicians and voters. If welfare recipients can be made competitive with the rest of the working population and if sufficient jobs are available, they should have an easier time getting off welfare. However, most public assistance programs, including GAIN, do not appear to consider lack of education to be one of the major causes of reliance upon welfare, perhaps because education would not remedy the perceived motivational problems

associated with welfare dependent individuals: the lack of a work ethic and laziness. Although some programs do provide education to participants, currently most welfare initiatives are "workfare" programs, which generally are based on the assumption that there is a large welfare dependent population that does not want to work and must be convinced to take responsibility for their own lives.

There are also some societal and structural factors that could hinder the ability of some welfare recipients to find sufficient employment to allow them to become self-sufficient. Welfare recipients might be mistakenly labelled as conforming to the stereotype described above, simply because they receive public assistance. Others may be affected by racial biases of potential employers. Still others may be unable to find employment because of a lack of demand for unskilled workers.

I have sought to isolate the effect of education (above the basic level, which only provides for elementary reading, math, and English language skills) in the GAIN program in several counties, in an attempt to see if lack of education may indeed contribute to the inability of some individuals to support themselves without governmental funds; providing these individuals with more education might enable them to leave welfare and ease the financial burden on the state and its counties. Since the 1980s higher levels of education have been one of "the most likely avenues out of poverty" (Rose 1995, 168).

Many of the adults receiving AFDC² are women who face the dismal employment and earning potential previously described. They often have very poor educational backgrounds and receive low scores on standardized

²AFDC was replaced in 1996 by Temporary Assistance for Needy Families, part of the Personal Responsibility and Work Opportunity Reconciliation Act.

achievement tests (Burtless 1995, 71). Only about one percent of AFDC mothers have college degrees, while nearly 23% of all women between the ages of 25 and 34 have graduated from college. Fewer than 55% of AFDC mothers have managed to complete a high school education. More than 70% of the women on welfare score in the bottom quartile on standardized achievement tests (Blank, et al. 1995, 54).

It would seem that in order for these welfare recipients to be able to increase their employment and earning potential, they must first increase their educational levels so that they are comparable to those of the general population. In turn, standardized test scores also should rise as these people are able to understand and relate to the way questions on these tests are framed.³ This will provide them with a reasonable opportunity to compete successfully for employment. Public assistance programs that endeavor to have their participants become permanently self-sufficient must provide them with the means to do so. In other words, I contend, these programs must provide education in order to successfully reduce welfare rolls and welfare expenditures.

Welfare Dependency

³It has been argued that standardized achievement tests are biased in favor of middle to upper class white males. Phyllis Rosser, an editor of *Ms.* magazine, testified before the U.S. House of Representatives Subcommittee on Civil and Constitutional Rights that standardized tests are "offensive in their consistent male orientation." On average, white men score more than 50 points higher than white women on the SAT and more than 200 points higher than black men and women. In fact, the scores of white males are higher than those of any minority group in the country (U.S. Government 1987). Cecil R. Reynolds and Robert T. Brown (1984) provide an explanation for these differences in performance: "Black and other minority children have not been exposed to the material involved in the test questions or other stimulus material. The tests are geared primarily towards white middle-class homes, vocabulary, knowledge, and values" (17).

Not everyone believes that there is a bias in standardized tests. Arthur R. Jensen (1984) felt that ability tests "yield unbiased measures for all native-born English-speaking segments of American society, regardless of their sex or their racial and social class background" (531).

Although I do not personally believe that there is widespread welfare dependency [according to The American Public Welfare Association (1994), only 15% of welfare recipients are "dependent"⁴], many policy makers apparently do, and so most welfare programs, including GAIN, were developed to combat welfare dependency. In fact, GAIN has been described as "an ambitious, far-reaching attempt by the state of California to combat welfare dependency" (Hill and Rezabek 1990, 14). I believe that I must, therefore, accept that one of the purposes of GAIN was to reduce this perceived problem. Within this belief framework, education is not always deemed to be an appropriate means of alleviating welfare dependence, perhaps because providing education lengthens the amount of time people would be on welfare, and thus the political advantage of demonstrating shorter-term reductions in the welfare rolls is eliminated. The GAIN legislation itself seemed to view college education as a last resort when all else had failed (CA Code Section 11322.8, 11323).⁵ However, education may have an effect on the non-dependent majority of the welfare population. Thus, the non-targeted group of welfare recipients may benefit significantly from the educational services provided by GAIN.

Welfare recipients are often stereotyped by the general public as lazy failures who would much rather rely on the government to support them than

⁴This figure is not accepted by everyone. Douglas J. Besharov (1995) calculates that the size of the welfare dependent population is actually much higher. His analysis of current welfare caseloads led him to conclude that 41 percent of the heads of welfare families will receive welfare for five or more years and 33 percent will remain dependent on welfare for at least eight years. Another estimate classifies approximately 35 percent of the total welfare population as welfare dependent (Blank et al. 1995). These discrepancies may be due to inconsistencies in research techniques or sampling errors, or possibly even different criteria for classifying people as "dependent."

⁵The legislation indicates that job search and job training were the priorities. College education is permitted only when it can "reasonably" be expected to lead to employment. Section 11325.23 of the California welfare legislation stated that participants in higher education must be able to prove that "the local labor market provides reasonable opportunities to work in the desired occupation."

to work for a living (Rank 1994, 168). This is seen to have become a way of life for them. An image of welfare recipients as people who cheat the government, live in luxury, and have children just to receive the additional welfare funds has become instilled in the American public. This image is perpetuated by the media and politicians, who cite examples of individuals exhibiting this behavior and generalize to the entire welfare population.

Supporters of the culture of poverty perspective take the welfare dependency issue one step further and envision a situation in which the desire to remain dependent on the government for financial support and the lack of a work ethic are values that are passed from one generation to the next. Children learned from their parents that relying on public assistance was acceptable behavior (Rank 1994, 26-28). Nancy Rose (1995) perhaps summarizes this view best: "Ignoring structural causes of poverty, a 'culture of poverty' analysis diagnosed 'welfare dependency' as a disease that could be cured by absorbing basic American values of work, self-reliance, and family" (150).

Studies done by numerous researchers have failed to provide evidence that the opportunity to receive welfare benefits has discouraged people from working. In fact, a 1989 study by Fred Black found that in a time in which social welfare benefits were expanding, participation in the labor market increased rather than decreased (Burton 1992, 94). Findings such as Black's are often ignored by policy makers, as they continue to seek "the right mix of incentives and penalties to get the impoverished to change their behavior" (Schram 1995, 15).

The Development of AFDC

The debate over national governmental involvement in public assistance began in 1935 when the Social Security Act first established a system for the provision of welfare benefits to impoverished children. The Aid to Dependent Children (ADC) program was originally created to provide benefits only to poor children whose fathers were absent. In 1950, the provisions of the program were expanded into Aid to Families with Dependent Children (AFDC), which included among its beneficiaries both impoverished children and their single adult caregivers. It provided direct cash assistance to those families that have been deprived of parental support or care because either the father or mother is absent from the home, incapacitated, deceased, or unemployed. AFDC allowed many female heads of households to remain in their homes and continue to take care of their children instead of forcing them to find employment (Burtless 1995, 73). Early in the program, before women began entering the workforce in large numbers, the public was generally sympathetic to these individuals, who were believed to be primarily widows with children⁶; thus there was widespread support for helping them survive.

Under the original design of AFDC, individual states were allowed only limited flexibility in the determination of benefits and requirements for eligibility. The states were charged with the assessment of need standards, income limits, and payment levels in accordance with each state's own calculations. The rest of the regulations were established by the federal

⁶It is important to make a distinction here between the "deserving" and "undeserving" poor. The "deserving" poor are perceived by most people to be genuinely in need of help by no fault of their own. They are unemployable for one reason or another. During the early years of AFDC's existence, widows with children were "deserving" because they had previously been supported by their husbands and would not have otherwise been working. Those people considered to be "undeserving" are viewed as unwilling to take responsibility for their own lives. They are employable, yet unemployed, but not looking for a job. The public view is that these people should be left to either sink or swim (Sheridan 192).

government. Funding for the program was provided through a federal-state partnership, in which the federal government supplied 50 to 80 percent of the money. The rest of the money needed to finance the program came from state and county governments.

By the end of the 1960s, it had become apparent to many experts, welfare providers, and welfare recipients that the current AFDC program had, to that point, not been sufficient to significantly reduce welfare caseloads. This was often attributed to widespread welfare dependence.⁷ It was seen as having created a system in which a large number of people, often viewed as being "barely deserving" (Skocpol 211) drains on public resources, found themselves relying entirely upon public assistance for extended periods of time. AFDC recipients were no longer just poor white children and their widowed mothers; increasingly large proportions of the AFDC population were minority women who were divorced, never married, separated, or had been left by their husbands. The public viewed these people much less favorably and did not believe them to be deserving of public assistance (Burtless 1995, 73).

This perception of the welfare population led many elected officials to seek a different approach to welfare. During the 1970s, welfare programs were made tougher, with stricter regulations. "Workfare," a term often credited to Richard Nixon, was an attempt to remedy what many critics of AFDC believed was its major shortcoming - it encouraged dependency. These critics of AFDC believed that a welfare program that simply handed out money could not possibly be successful in reducing welfare dependence and encouraging self-sufficiency (Harvey 1989, 16-17). The "workfare"

⁷Many people believe that a large portion of the welfare population relies on public assistance for extended periods of time, to the point where they find it easier to remain on welfare than to seek out employment (Sherraden 79-80).

alternative provided welfare payments as compensation for work (Nathan 1993, 15), but did not attempt to include an education component in its requirements.

During this time, state-level remedies for the alleged problem of welfare dependency also were being sought. In 1971, California Governor Ronald Reagan signed a welfare reform plan that required all able-bodied adult welfare recipients to earn their welfare payments in public service jobs. The plan, referred to as the Community Work Experience Program (CWEP), also was implemented in Massachusetts and Utah. Training was greatly reduced so that as many employable welfare recipients as possible could be placed in community service jobs.

The staffs of agencies that administered workfare often did not follow up on CWEP clients and reports from employing agencies frequently were left unevaluated. These facts may have contributed to the lackluster performance of the program (Jennings and Krane 1994, 17-23). CWEP "failed miserably" (Rose 1995, 106) at reducing the welfare population in its test sites, and it was judged by the U.S. Department of Labor to be "costly and inefficient" (Rose 1995, 106). CWEP suggested that the state-level workfare programs of the 1970s were as ineffective as the federal programs that had been developed and implemented up to that point.

Since the "problem" of welfare dependency had not been sufficiently alleviated by the federal and state level workfare programs of the 1970s, it was again addressed during the 1980s. "New-style workfare" was introduced under the Reagan administration as part of the Omnibus Budget Reconciliation Act (OBRA) of 1981 to counter what Reagan believed was welfare's detrimental effect on people's motivation to work and become self-supporting (Schwarz and Volgy 1992, 12). Welfare programs, which previously

had not seemed to have much of a positive effect on the size of the welfare population, were modified to eliminate the incentives for recipients to remain dependent on welfare. Eligibility requirements became stricter and income provisions were reduced in an effort to scale back the size and expense of the program (Rank 1994, 18-19).

The FSA and JOBS

In 1988, an amendment to Title IV of the Social Security Act sought to change the focus of welfare programs from encouraging dependency to fostering self-sufficiency. The Family Support Act (FSA) was added to the Social Security Act in an attempt to transform the American welfare system by fostering cooperation between the government and welfare recipients, which would encourage the latter to obtain employment, earn their welfare benefits, and, most importantly, become able to sustain themselves and their children without relying on governmental assistance.

The FSA was a compromise between liberal and conservative perspectives on welfare reform. Many liberals decided to support the legislation because it provided welfare recipients with support services (such as education, child care and transportation) that had previously been unavailable in workfare programs. However, these same liberals also feared that the strict eligibility and participation requirements of the legislation might actually discourage needy individuals from taking welfare, and thus it would not actually help the poor achieve a reasonable income level without governmental assistance (Schram 1995, 131). Despite their misgivings, the liberal contributors to the legislation finally accepted the conservative idea that welfare can trap people in poverty and thus "abandoned their defense

of the welfare state" (Sherraden 1991, 86). Conservatives were able to claim a legislative victory.

Many conservatives supported the FSA because it required welfare recipients to work in exchange for their benefits. This requirement, they believed, would instill in AFDC recipients a work ethic and a desire to become self-sufficient. The poor would learn to take more responsibility for their own lives and become more willing to support themselves. The FSA legislation perpetuated this conservative view of impoverished individuals. It emphasized the widespread existence of welfare dependency and sought to address this perceived problem (Schram 1995, 131-132).

The Job Opportunities and Basic Skills Training (JOBS) Program was the central feature of the FSA and was geared towards job placement and self-sufficiency of welfare recipients. The JOBS legislation required that the state agencies responsible for welfare benefits administration assess the skills and needs of all heads of AFDC households, and then develop an employability plan for each recipient detailing the education, job training, and job placement services that would be provided by the state (Rodgers 1990, 150-151). The contributors to and supporters of the legislation believed that these features would enable people to leave welfare and begin to support themselves (Nathan 1993, 15).

For the first time, education was a program for which welfare recipients were eligible (Nathan 1993, 28). In fact, all welfare parents under the age of twenty who had not yet completed high school were required to do so (Rodgers 1990, 151). But, beyond that level, the legislation did not specify how much education was acceptable in any state's welfare program (Copeland and Wexler 1995, 52). JOBS participants over the age of twenty did not have to meet any educational requirements.

JOBS was termed the "new workfare" because it required all "employable" adults receiving aid, including AFDC parents with children over the age of three, to seek employment, education, or job training. It was "new" because it did not just require work as previous workfare programs had done. The JOBS legislation did not require individuals to leave welfare if the work that they found paid less than their public assistance benefits. JOBS did not provide one specific program format that all states were required to follow. Instead, it allowed states the flexibility to develop their own methods, within certain guidelines, of using workfare to reduce welfare caseloads and expenses in their respective states (Schram 1995, 132-133).

Some states, including California, Michigan, Iowa, and Massachusetts, had already developed and implemented employment training and placement programs and became the examples upon which the JOBS legislation was modeled. The most successful of these welfare-to-work programs were California's Greater Avenues for Independence (GAIN) and Massachusetts' Employment and Training (ET) Choices (Bartik 1996, 5). These two programs took vastly different approaches to welfare reform. Massachusetts had a highly centralized program in which all policy was developed at the state level (Behn 1991, 36-37; Nathan 1993, 39-43), while California allowed its counties a great deal of discretion in implementing the GAIN program. Based on the experiments of these state reforms, minimal JOBS Program requirements were established, to which other states then had to adhere (Rodgers 1990, 151).

The Development of the GAIN Program⁸

⁸California continued its GAIN program under a federally approved waiver until August 1997, when it developed a program with work requirements that are more in accordance with TANF guidelines. Under the waiver, GAIN participants were required to

Before the FSA and the JOBS program were created, California, among other states, had already undertaken the development of employment training programs as a means of supplementing its existing welfare programs. The California Welfare Reform Act (CWRA) was developed by the state legislature in 1971, and endorsed by Governor Ronald Reagan (Albert 1988). Under this act, employment was brought to the forefront of social welfare policy, providing an alternative to the direct cash payments made to welfare recipients. Welfare recipients were required to work for their welfare checks in community service jobs if other employment was unavailable (Nathan 1993, 18-19).

In 1986, California enacted a new style of "workfare," the GAIN Program, which, when fully implemented, was expected to require nearly 200,000 AFDC recipients to take part in a mandatory job search program. Those people who chose not to participate would be forced to forfeit their benefits. GAIN was intended to provide its participants with the necessary skills for attaining long-term employment, including education and job skills training (Waste 1995). However, not all counties viewed these two factors in the same light, and thus have elected to give them differing amounts of attention.

The development of the GAIN legislation was the result of a compromise between two groups of legislators with very different agendas. Both groups wanted to institute reforms that would enable welfare recipients to move off the welfare rolls into unsubsidized employment, which in turn would allow for the reduction of the cost of welfare. However, the two groups differed on the means to accomplish this end. One group advocated

participate in at least 100 hours per month of work or employment preparation (Greenberg and Savner 1996, 5).

a relatively short program focusing on a mandatory job search. Those people who did not find employment in the allotted time would then be required to participate in unpaid community service "workfare." The goal of this plan was to reduce dependency through work experience (Ricchio, et al. 1989, 2-3).

The other group of reformers sought to establish a broader range of services, particularly emphasizing education and skills training. This group believed that such services would greatly increase the number and type of employment opportunities available to welfare recipients, and it would decrease the rate at which former welfare recipients returned to the welfare rolls. This group also wanted to protect recipients from having to accept jobs that paid less than what they made on welfare (Ricchio et al. 1989, 3). The final version of the GAIN legislation incorporated aspects of both perspectives and allowed the counties to decide which direction to take.

GAIN was initially implemented in only ten counties in California. Despite support from participants, evaluators, and agency officials, it produced only a relatively small increase in success rates⁹ in helping welfare clients make the transition from welfare to work in the test counties (Ricchio, et al. 1994). The ten county experiment did not initially indicate that the program was an effective way to reduce California's welfare population. It produced only slight increases in income for program participants and small reductions in the levels of welfare payments. Despite these very limited successes, in 1991 GAIN was expanded to include all 58 counties in the state (Waste 1995), in accordance with the 1985 legislation, which originally allowed up to five years for all of the counties to plan for GAIN and register all of their mandatory participants. But soon it became evident that this would

⁹The term "success rates" as it is used here refers to the placement of individuals in unsubsidized employment and the termination of grants due to this employment.

not be enough time, so the deadline for program implementation was extended to September 1991 (Riccio et al. 1989, 14-15).

The GAIN legislation required that a specific sequence of activities be followed by all participants in the program (Nathan 1993, 71). GAIN participants, when they first entered the program, underwent an appraisal by the county staff in which their education, employment history, and standardized test scores were evaluated to determine what course they needed to take within the program. An employment plan was developed for each individual, who then had to sign a contract with the county to fulfill his or her obligations to the program, which included either a job search or a combination of education, training, and a job search (Department of Social Services 1990, 5); county administrators determined which of these options would be followed by each participant.

Changes in National and State Welfare Policy

On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The act replaces AFDC and ensures that the national government will no longer provide a guaranteed income to very low income families. People receiving welfare are now limited to a lifetime maximum of five years of benefits and are required to work after two years on welfare (Marchman and Stegman 1996, 2).

The entire emphasis of welfare assistance has shifted from maintaining an established minimum income level for needy families to pushing more people into employment (Marchman and Stegman 1996, 2). A major part of the welfare reform act, the Temporary Assistance for Needy Families (TANF) block grant program, requires states to place increasing numbers of welfare recipients into employment (Savner 1996, 1).

TANF allows states a great deal of flexibility and discretion in the design and implementation of welfare-to-work programs. However, the federal government has reserved the right to determine "acceptable" program success rates and to penalize states whose programs do not meet established goals. Programs that do not show the required success rates will be penalized by decreased levels of federal funding. Thus, states have an incentive to use whatever means are at their disposal to achieve the desired success rates. Some states may choose to exclude from participation in their programs those welfare recipients they deem to be unemployable, since states are not required to enroll all eligible recipients in the program. Thus, many needy families may find themselves unable to collect welfare benefits. Such exclusions may make states eligible for "caseload reduction credits" (Savner 1996, 4). Local jurisdictions may then have to pick up the slack in TANF coverage, placing a heavier burden on counties. For example, in California, counties such as Los Angeles, which has a large legal immigrant population, will feel a drain on General Relief funds, since the state has excluded all immigrants from participation in TANF (Ellis and Meyer 1997, A12).

Organization of the Thesis

The rest of this thesis will concentrate on evaluating the GAIN program as it was implemented in three California counties between 1988 and 1995 in order to determine whether the provision of education yielded measurable improvements in GAIN success rates. In Chapter 2 I will lay out a detailed strategy for undertaking this investigation. Included here will be my working hypotheses. Chapter 3 examines the data I gathered during the course of my research, and I will endeavor to explain the significance of the findings. Finally, in Chapter 4, I will try to draw some conclusions about the data gathered from

the three counties. I will seek to explain why my hypotheses were or were not supported by the research. More generally, I will discuss whether there is support for the theoretical basis of the project: Does the development of human capital through education appear to lead to a greater number of job placements and a reduction in the number of welfare recipients?

Chapter 2

Research Design

This chapter introduces how I went about examining the arguments presented in the previous chapter. In what follows, I explain the selection of specific California counties for inclusion in the study and the criteria used to judge the success of each county's program. Finally, I outline several hypotheses the research sought to test.

I chose to analyze the county programs by estimating the effects of each county's GAIN program design on several indicators of program success, including the number of unsubsidized job placements, AFDC grant reductions, and grant terminations. All of these indicators were standardized to provide more meaningful measures. I have sought to establish a link between the independent variable, education, and the indicators of the dependent variable.

I expected that if a county provided education to its GAIN participants, it would not demonstrate initially high rates of success at moving people off welfare and into employment. Instead, many people would remain on welfare for longer periods so that they could complete their educational programs. However, the education should pay off after a few years, when the GAIN participants would be able to better compete for employment with their newly acquired human capital. Tables 1 and 2 suggested that for the general population, educational level is strongly correlated with success in the workforce. There is little reason to believe that the same would not hold true for the welfare population.

I also anticipated that any county that chose not to provide education above basic literacy and elementary English and math skills would have

initially higher success rates since it would be able to rapidly move its GAIN participants into unskilled employment. However, it is likely that these people would not be able to find good enough jobs to sustain themselves for long periods of time and would find it necessary to return to welfare. This should have driven down the longer-term success rates of the county, because it would have had to place not only new clients, but also those returning to public assistance after having gone through the GAIN program at least once.

Comparative Case Study

A most-similar-systems design was chosen for this study. California counties were selected based on their similar characteristics, which were in effect held constant. These shared characteristics become less likely to be explanations for variations in the dependent variables. Since only one major factor--education--varies in this design, I can be more confident that it is that factor that influences the variations in the dependent variables.

Selected for inclusion in this study were California counties that were similar on four variables: proportion of population receiving public assistance, percentage of population living in poverty, proportion of population that had completed high school, and proportion of population that did not speak English "very well."

All three counties had different emphases within their GAIN programs. One county regularly provided educational services beyond the basic level. Another emphasized a combination of education and job placement. The third county focused its attention specifically on the immediate employment of its GAIN recipients and did not regularly provide them with educational services beyond the basic level (and even largely neglected that level).

During the course of this examination, the effects of the independent variable, the amount of education provided by GAIN, on each of the indicators of the dependent variable, the program success rate, are analyzed for each of the three counties. The variables are standardized and compared across the counties for each year from 1988 through 1995. Similar success rates across the counties would indicate that the educational services provided by the GAIN programs did not contribute significantly to their success rates. However, any differences in success rates may be at least partially attributed to the differences in the program designs of the three counties. Depending on the direction of the difference, either education-based or job placement-based programs can be judged to be a better type of GAIN implementation. If there appears to be no overall trend in the results, "success" may have to be judged on the basis of individual indicators. If there are still no visible trends in the findings, the part of the program design tapped in this study will be determined to have had little influence on GAIN success rates. Instead, one or more other factors that were not included in the analysis may have contributed to the outcomes of the county programs.

Three counties were selected to be included in this investigation: Alameda, San Diego, and Riverside.¹⁰ The GAIN programs of these three counties placed different emphases on education and job placement. Alameda County was the only county in the sample that seemed to be addressing what I argue is the appropriate problem. Alameda County took the stance that welfare recipients need to receive educational services in order to be able to permanently leave welfare. "Alameda County's GAIN

¹⁰There is some concern about selecting two counties in southern California and one from the central part of the state because they may not accurately represent demographic variations that result from geographic differences. However, these are the only counties in the state of California that fit into the research design.

program focuses on assisting recipients in achieving long-term self-sufficiency through education and training" (Alameda County 1995, 2-1).

San Diego County provided some educational services above the basic level, but to a much lesser extent than did Alameda County. San Diego County sought to combine education with work experience, but appeared to have a more immediate desire to place people in jobs. In fact, for 1995 the county sought to increase the number of participants who were employed by 126%, but it expressed no such aspirations for educational completion rates (San Diego County 1989-1995, 3).

Riverside County's GAIN program is widely known for placing "much more emphasis on moving registrants into the labor market quickly" (Riccio, et al. 1989, xxv). Clients are told to work first and study later (DeParle 1993, 14L). This focus on employment was evidenced by the 1995 employment placement goal of 10,000, while the county only hoped to have 654 people complete educational services in that same year (Riverside County 1995, 3). According to Riverside's GAIN director, Lawrence Townsend, "To work is education in itself" (DeParle 1993, 14L).

Several factors were controlled for in order to allow for the selection of counties that are similar in a number of important ways (see Table 3). The rates of poverty and of the receipt of public assistance within the counties are both important control variables because they indicated potential and actual welfare caseloads within the sites included in this investigation. They represented the pool from which GAIN participants were drawn, and similar welfare caseloads (as a proportion of the counties' populations) suggested that one type of program design did not either attract or repel potential welfare recipients at a greater rate than other programs did.

Table 3: Variables Being Held "Constant"

	Alameda	San Diego	Riverside
% of population receiving public assistance	3.7%	2.9%	3.0%
% of population below poverty level	10.6%	11.3%	11.5%
% of population who do not speak English "very well"	11.4%	11.5%	11.4%
% of population with high school educ.	81.4%	81.9%	74.1%

Source: 1990 U.S. Census

Controlling for familiarity with the English language is also important because those people who do not speak English "very well" might find that they have fewer employment opportunities than those who have little or no difficulty with the language. Choosing counties with similar proportions of English-speaking residents roughly leveled the proportion of the populations of the counties under investigation that could be considered for jobs that require English language proficiency. GAIN participants might actually have had an advantage over this segment of the population because AFDC recipients were required to receive English as a Second Language (ESL) training as part of the basic education provided by GAIN.

Since the primary focus of this investigation was the education provided within the GAIN program, it was important to take into account the levels of education outside of the GAIN program. For this reason, the final control variable selected was the proportion of the county's population that had completed a high school education. The high school level was selected because this is the level below which a major disparity in wages and employment becomes evident (see Tables 1 and 2).

One additional control comes from the selection of counties that are all within the same state. Variations in state statutory and programmatic requirements are eliminated as possible contributors to program results.

Propositions

The earlier discussion of the GAIN program in the three selected counties leads to the following propositions:

- 1) Counties with greater emphasis on education within their GAIN programs will have lower success rates in the shorter-term than counties with less emphasis on education.
- 2) Counties with greater emphasis on education within their GAIN programs will have higher success rates in the longer-term than counties that place less emphasis on educating GAIN participants.

Operationalization of the Independent Variable

The independent variable in this study is the amount of emphasis each county places on education within its GAIN program. The three different values for this variable correspond to the emphases of the three GAIN test counties in California. Alameda's program placed a strong emphasis on education, while Riverside's design went to the opposite extreme and pushed its GAIN participants to find employment immediately. San Diego's GAIN strategy fell between those of Alameda and Riverside.

Several indicators represent these differences in program design (see Table 4). Perhaps the most important of these is the degree to which the staff of each GAIN office emphasized immediate job placement for its program participants. Since the staff directly provided services to GAIN clients and decided whether they will be required (or permitted) to participate in educational, job search, or other activities (Martinson and Friedlander 1994, 8-9), a knowledge of their attitudes towards the priorities of the different aspects of the program in their counties was essential to allow for an accurate assessment of the programs' focus.

Table 4: Indicators of GAIN Program Design

	Alameda	San Diego	Riverside
Percentage of staff who believe that GAIN should emphasize quick employment	21.4%	48.8%	90.6%
Percentage of GAIN participants in educational training	83.9%	67.6%	60.4%
Percent of budget allotted for education	56.6%	53.2%	46.1%
Percent of budget allotted for job search	17.8%	21.3%	28.9%
Average months with education	3.8	2.1	1.5

Source: James Riccio, et al. GAIN report, 1994.¹¹

When AFDC recipients first entered the GAIN program they were given a literacy and basic math skills test (Tassy 1993, J7) and categorized as either "in need of basic education" or "not in need of basic education."¹² The level of education that each of the three counties in the study provided to those individuals deemed not to need basic education¹³ is another indicator of program design. If individuals falling into this category entered into educational training that is over and above the basic level (high school, GED, vocational training, associate's degree, bachelor's degree), it would be apparent that the GAIN program in the county in which these individuals resided provided, at least in some instances, a higher level of education to its welfare recipients, and thus attempted to remedy their evident lack of marketable skills.

All three of the counties claimed to provide state-mandated educational services to those GAIN participants determined to be in need of

¹¹These data were collected over the first three years (1988-1990) of the program's operation in each of the counties, and only indicate differences in program design during the early stages of the program's existence. Subsequent data from the counties are not available in numerical form. However, San Diego and Alameda counties have begun gradually shifting their program designs to make them more like that of Riverside County.

¹²"Basic education" includes basic reading and math skills (Adult Basic Education, or ABE) and English as a Second Language (ESL).

¹³In the three counties included in the study, 40-45% of GAIN participants were determined not to need basic education (Riccio, et al. lvi).

basic education. However, the GAIN guidelines gave these people the option to either enter educational training or undertake a job search; the caseworker responsible for the client determined which option was followed. This gave the counties discretion to avoid the "mandatory" educational service. According to a Manpower Demonstration Research Corporation (MDRC) survey of program registrants who were determined to need basic education, the three counties differed greatly in their provision of basic education. The results of this survey are consistent with the data in Table 4. Alameda County again had the highest (45.3%) participation rate in basic education, followed by San Diego County (29.3%), and finally Riverside County (16.8%) (Martinson and Friedlander 1994, 88). Thus, the varying emphasis each county placed on education remained consistent across both educational levels.

Another indicator used to tap the independent variable is the average number of months that GAIN clients spent participating in educational programs and whether they completed those educational activities. If the GAIN participants of a county had a relatively longer average length of educational training and a fairly high completion rate, it was assumed that the county emphasized education more than immediate job placement. If GAIN participants were required to seek and accept immediate employment, they would have relatively short stays in educational programs and, presumably, also on welfare. Educational training takes more time and can often extend a welfare recipient's length of time receiving public assistance.

Operationalizations of Dependent Variable

Multiple indicators of the dependent variable were used in order to more accurately and completely measure program success rates. For each year of the study, the following indicators were included: (1) the percentage of GAIN participants that entered unsubsidized employment, (2) the percentage of program participants that had their grants reduced because of GAIN-related employment, and (3) the percentage of GAIN clients that left public assistance in each year of the study.

Each of the indicators of program success were standardized in order to provide for more meaningful comparisons across counties and over time. The method of standardization addresses the alternate hypothesis presented later in this chapter. The purpose of this approach is to provide evidence that the alternate hypothesis either is or is not a potential explanation for variations in the dependent variable. If variations in the indicators of the dependent variable are evident while the alternate hypothesis is being tested, the alternate hypothesis will be deemed to be invalid.

Data Sources and Analysis

The data used to measure the dependent variables were obtained for the years 1988 through 1995.¹⁴ Examination of this time period allows for the determination of both shorter term and longer term "success." The values for the independent variable, as well as some indicators of the dependent variable, were obtained through personal interviews with the GAIN directors and other staff members in each of the three counties and in Sacramento, from reports published by the Manpower Demonstration Research Corporation (MDRC), and from the reports on program operations that each

¹⁴This time period was selected because 1988 was the first year in which all three counties had their GAIN programs in operation. And, in order to allow for the most up-to-date analysis possible, data from 1995 were included as well.

of the counties is required by the state to produce annually. The remaining values for the indicators of the dependent variable were obtained from information gathered by MDRC and from information made available by the State of California on the Internet. The values for the control variables described earlier were taken from 1990 U.S. census data, which was the only available source during the time period under investigation.

When examining the success of each county, it is important to keep in mind that the caseloads of the counties varied significantly. Figure 1 represents the differences in the proportions of the AFDC recipients that each county felt capable of including in its GAIN program.¹⁵ During each of the years for which figures are available for all three counties, San Diego County enrolled a much higher percentage of its welfare population in the GAIN program. Riverside County consistently enrolled a larger proportion of its welfare rolls in GAIN than did Alameda County, which maintained a nearly constant enrollment level. "Success" on each indicator of the dependent variable will be judged not simply on how many people each county was able to place into unsubsidized employment that may or may not have led to AFDC grant reductions or terminations, but also on how well the counties were able to place the caseloads that they chose to handle.

Since the research is being performed using aggregate data from three counties, an in-depth statistical analysis cannot be undertaken. For each county in each year of the study, there is only one value for each indicator of the dependent variable. An attempt to perform statistical analyses on the data would yield results with very low reliability. Instead, the data will be compared using tabular and graphical analyses of each indicator of the

¹⁵The size of the welfare population in each county that was used to determine the enrollment levels in GAIN were taken entirely from 1990 census data. Therefore, one value for each county was used for all years of the study.

dependent variable for each year of the study, as well as across all years of the examination.

Hypotheses

The following hypotheses represent a testable form of the propositions outlined above:

H-1) Between 1988 and 1990, a smaller percentage of GAIN participants will be placed in unsubsidized employment, have AFDC grant reductions, and grant terminations in Alameda County than in Riverside County, with the percentage of job placements, grant reductions, and grant terminations in San Diego County falling somewhere in between. The time taken by Alameda County to provide higher levels of education to GAIN participants will prevent initially high success rates.

H-2) Between 1992 and 1995, a higher proportion of GAIN participants will be placed in unsubsidized jobs, have AFDC grant reductions, and grant terminations in Alameda County than in Riverside County, with San Diego County's job placement, grant reduction, and grant termination rates falling in between. More of Alameda County's GAIN participants will have completed educational programs and will have an easier time finding unsubsidized employment. Riverside County will have already saturated the low-skill job market with earlier GAIN participants.

Alternate Hypothesis¹⁶

H-3) A county's GAIN success rate will vary inversely with its unemployment rates. As unemployment rates increase, the rate of unsubsidized job

¹⁶The alternate hypothesis is tested through standardization. If fluctuations in success levels exist, the alternate hypothesis can be discounted as a potential explanation for GAIN success levels.

placements, AFDC grant reductions, and AFDC grant terminations will decrease. As unemployment rates decrease, the success rates as measured by these indicators will increase. Higher unemployment rates will suggest more competition for employment, making it more difficult to place GAIN participants in jobs. Lower unemployment rates will be viewed as an indication that there are more positions available in which GAIN participants can be placed.

Limitations of the Research

A number of factors may limit the usefulness of the findings of this study. As with all other case studies, there is relatively little room for generalization. Case study research must rely on analytical generalization, in which the results of a study are tied to a broader theory. But, the study must be replicated in other case studies before such a generalization can be made (Yin 1994, 36). Thus, any findings of this research cannot be offered as conclusive proof of a connection between education and success rates of welfare programs. It can only suggest that there might be a connection that could be established with further research.

Another potential problem when selecting counties is that the variables selected as "controls" might not have been constant during the whole time period of the study. Since their values were all taken from 1990 U.S. census data, possible fluctuations during other years of the study were not available. The previous census data from 1980 were too early to be of any benefit to this investigation, and the next one will not occur until 2000. The assumption, then, is that the values for the control variables not only were roughly the same in 1990, but also in the other years included in the study. These

variables also were treated as if they have exactly the same values in all three counties, when in reality there were some small differences.

Another limitation of the research is caused by inconsistency in the standards for data collection that were established by the state of California during the years of the study (Gowan 1996; Jordan 1996). Changes in the methods of data collection could lead to inconsistent results and the appearance of changes in success rates that may not be entirely accurate. These changing standards of data collection could possibly have led to the unavailability of complete data for the years 1991 and 1992 in two of the three counties. For this reason, these two years had to be excluded from the analysis of the GAIN programs of all three counties.

The classification of the three counties in terms of their emphases on education and immediate job placement was based, in part, on how the county program directors described their programs in their annual reports and the opinions that staff members who delivered services to GAIN clients provided in an MDRC survey (see Table 3). It is possible that these sources reported a desired level of services, instead of an actual level of services. Since I cannot determine if the survey was administered using subsets or the entire staff of each county, it is impossible to judge whether the survey was administered in a manner that makes the results reliable.

The data on GAIN program success rates for the first three years of the study in all three counties may have been affected by being part of a ten-county demonstration project that went into effect before the rest of California's 58 counties were able to adopt their own versions of the GAIN program. While these counties were under observation, they may have fallen prey to the problems associated with the Hawthorne effect.¹⁷ The GAIN

¹⁷The Hawthorne effect was discovered in the early 1930s when F. J. Roethlisberger and

staffers may have performed in a manner different than they would have acted if they were not under such close scrutiny. In Alameda County, for example, the success rates dropped immediately following the end of the observation period.

There also are a number of potential problems with the use of aggregate data. Perhaps the most important of these is that aggregate data have "no meaning on the level of the individual" (Taylor 1968, 26). I am unable to determine whether each individual who was included in the aggregate data was a first-time GAIN participant, or if he or she was returning to the program. This makes certain parts of my propositions untestable. For example, I believe that Riverside County would have lower success rates in the longer-term, because it would have a high rate of return to the program and might have been simply placing the same people in jobs over and over again. Available data did not allow me to discover whether this occurred. I can only presume that a welfare population that was rapidly increasing included both first-time and returning recipients. But, even this cannot be determined from the resources I had available to me, since I took the size of the welfare population from census data.

These data also have a problem that exists in all empirical analysis: a possible lack of content validity. Here the indicators used to tap the dependent variable (the success of each county's GAIN program) probably did not encompass the full range of factors that could be viewed as

W. J. Dickson conducted a series of tests in which they observed the reactions of workers to changes in their working conditions. With every alteration in the work environment, job performance increased. When worker productivity continued to increase even after the work environment was made to be less pleasant, Roethlisberger and Dickson concluded that the workers involved in the experiment had responded to the attention paid to them by the researchers, not to their environment (Babbie 236). The Hawthorne effect suggests that when subjects know they are under observation, they may behave differently than they would if they were not the objects of study (Baumol and Becker 10).

measures of program success. For example, the raising of GAIN participants' sense of self-worth may be seen as a sign of a successful program.

These and other potential limitations of the research must be kept in mind when examining the findings, which the next chapter discusses in detail.

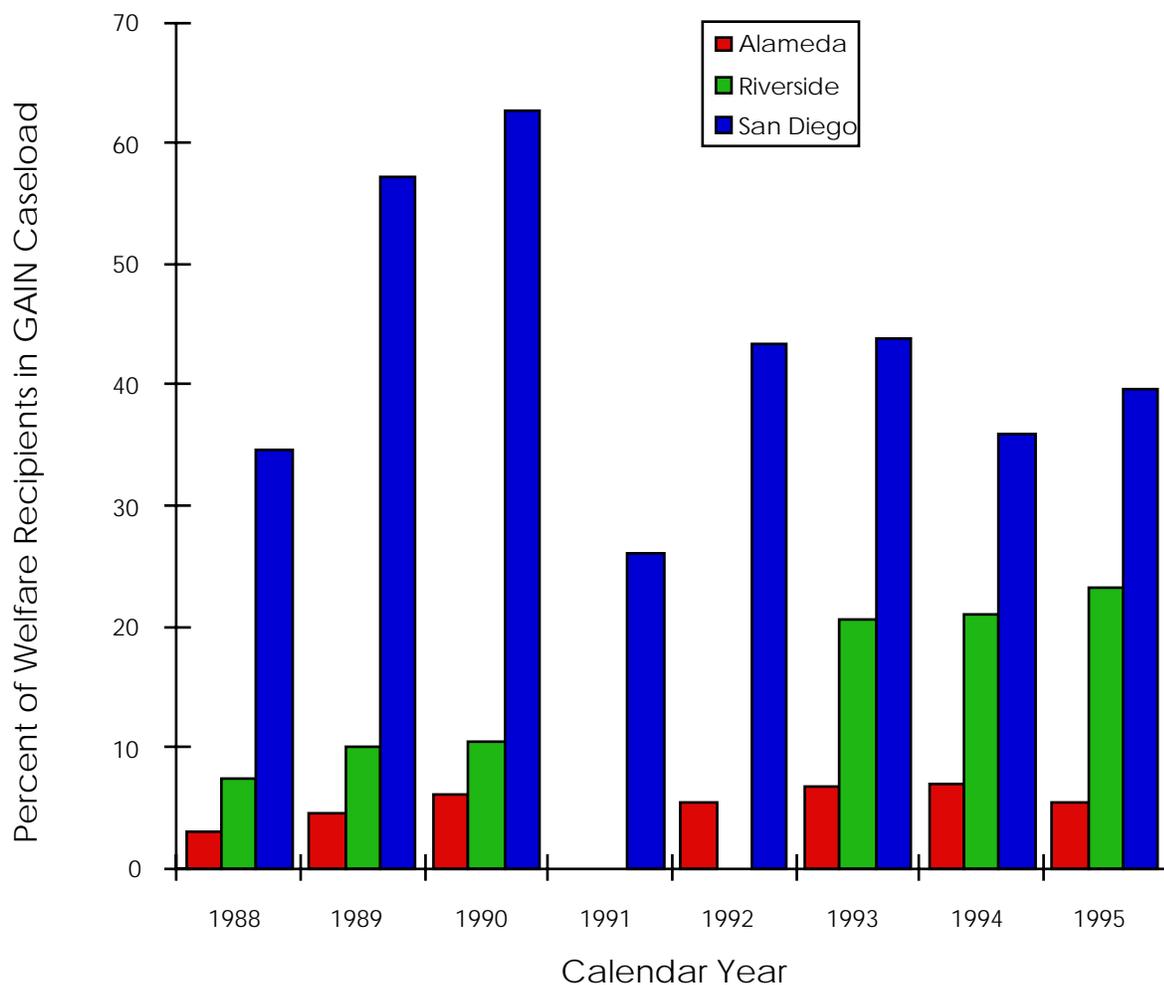


Figure 1: GAIN Caseloads as Proportions of Welfare Recipients¹⁸

Note: Data were unavailable for Alameda and Riverside Counties in 1991 and for Riverside County in 1992.

¹⁸The values in the graph represent the number of GAIN clients in each county in each year as a proportion of the total number of AFDC recipients in each county in 1990.

Chapter 3

Data Analysis

In order to examine the success rates of the three counties under investigation, I will first consider them as three separate cases, in which each county's success over time on each of the three indicators will be explored. Data will be examined using unstandardized and standardized indicators. After that, the value of the dependent variable on each indicator will be analyzed in order to determine which county had the most successful type of GAIN program.

County Success Rates

The dependent variable in this study is the success of the GAIN programs in each of the three counties. These success rates are measured by the following indicators: placement of GAIN participants in unsubsidized employment, reduction in AFDC grants, and termination of AFDC grants.

Alameda County's Success Rates

Alameda County's success rates as measured by the unstandardized indicators of program success (see Figure 3) were relatively constant from 1988 to 1990. Sometime between 1990 and 1993¹⁹ there was a significant drop in success rates on all three indicators. Success rates climbed between 1993 and 1995, but the values for all three indicators were lower during 1993 and 1994 than they had been between 1988 and 1990. The values of the unstandardized indicators suggested that Alameda County's success rates (except for the rate of grant reductions) were at their highest levels in 1995.

¹⁹Unavailable data make it impossible to determine in exactly which year this occurred.

Figure 4 indicates that Alameda County's success rates on all three indicators, when standardized by county unemployment rate, were at their highest levels during the first three years of the study (1988 through 1990). There is a steady increase in the values of all three of the indicators over this time period, with the values reaching their highest levels in 1990.²⁰

In 1993, the success rates reached their lowest levels. These values are extremely low compared to previous success rates. The change from 7.6 in 1990 to 2.0 in 1993 in the ratio of the percent of GAIN participants with unsubsidized job placements to unemployment rate exemplifies the dramatic difference. Due to the absence of data for the previous two years, it cannot be determined whether this level was attained as a result of an immediate drop or a more gradual decline.

After the dramatic decline in success rates between 1990 and 1993, the rates steadily rose until 1995. However, the success rates did not return to the highest level previously attained, although they may yet reach that level again in future years if the current trend in success rates continues.

Throughout all years of the study, the highest rates of success can be seen in the rate of unsubsidized job placements. The next highest success rates are seen in grant reductions that resulted from GAIN related employment. The lowest rates of success are evident in the indicator that measures the rate at which GAIN participants are able to leave AFDC due to GAIN-related employment. The values for this indicator remain consistently low throughout the term of the study.

²⁰Since the data for 1991 and 1992 were unavailable for Alameda County, it cannot be determined whether the success rates measured by the three indicators began to decline, remained constant, or increased during these years.

San Diego County's Success Rates

The unstandardized indicators of GAIN program success shown in Figure 5 indicate that San Diego County had decreasing success between 1988 and 1991. The proportions of GAIN participants with unsubsidized job placements and AFDC grant reductions then increased until 1995. However, the rate of grant terminations plummeted in 1993 to near zero, but then increased slightly in 1994 and 1995.

San Diego County's GAIN program success rates, as measured by the three indicators standardized by the county unemployment rate, were at their highest levels during the first year of the program's operation (see Figure 6). The success rates then decreased after that point to reach relatively low levels in 1991. In 1992, the ratios of unsubsidized job placements to unemployment rate and AFDC grant reductions to unemployment rate increased slightly and then decreased a bit again in 1993 and rose in 1994 and 1995.

The ratio of the percentage of GAIN participants who left AFDC due to GAIN-related employment to San Diego County's unemployment rate decreased from its highest level (3.5) in 1988 to its lowest level of nearly zero in 1993. The values on this indicator then increased slightly (to 0.49) in the two years following the low point. Between 1993 and 1995, the values of the ratios of unsubsidized job placements to unemployment rate and grant terminations resulting from GAIN-related employment to unemployment rates began increasing again.

Between 1988 and 1991, San Diego County had more success at enabling GAIN participants to leave AFDC than it did at reducing the grants to GAIN clients. However, between 1992 and 1995 the county had greater

success at reducing grants than at terminating them. During the entire period of the study, the success rates at placing GAIN participants in unsubsidized employment were higher than the success rates measured by the other two indicators of the dependent variable.

Riverside County's Success Rates

The unstandardized rate of unsubsidized job placements remained relatively steady over the first three years of the study (1988 to 1990). However, the corresponding rate of AFDC grant reductions dropped sharply and the rate of grant terminations increased between 1988 and 1989; then, both held steady until 1990. All three indicators suggested increased program success between 1993 and 1994, but only the rate of unsubsidized job placements continued its climb in 1995.

Figure 8 indicates that in Riverside County, when the indicators of success are standardized by unemployment rates²¹, the success rates on the indicator of unsubsidized job placements are higher than the success rates measured by the other two indicators during all years for which data are available. The ratio of unsubsidized job placements to unemployment rate starts out at 5.3 in 1988, increases to 6.3 in 1989, and then decreases to 6.0 in 1990.

In 1988, the value for the indicator of grant reductions indicates relatively high success rates, while the indicator of AFDC grant terminations showed much lower success rates. In 1989, the values for the two indicators converged between the two initial values, and then diverged slightly again

²¹Success rates in Riverside County were only standardized by this one method, since available data did not allow for the determination of spending levels per GAIN program participant for the years 1988 through 1994.

in 1990, with the values for each of the two indicators moving back towards their initial values.

In 1993, the success rates measured by all three indicators standardized by unemployment rates were lower than they had been in previous years of the study. But, an increase in success rates on all three indicators occurred between 1993 and 1994. In 1995, the rate of unsubsidized job placements again increased, while the values of the other two indicators of the dependent variable once again decreased.

Comparative County Success Rates

Unstandardized indicators are again shown in Figures 9, 10, and 11. Figures 12, 13, and 14 represent the comparative success rates of the three counties when the indicators of the dependent variable are standardized by unemployment rates.

Unstandardized indicators

Figure 9 offers some support for the predictions of H-1. Riverside County had the highest success at placing GAIN participants in unsubsidized employment between 1988 and 1990. San Diego County had the lowest success rates during the same time period. Figure 10 supports H-1 in 1989 only.

H-2 is not supported by the success rates of any of the unstandardized indicators. In each case, Riverside County had the highest success rates between 1993 and 1995, while Alameda and San Diego had lower success rates.

In order to determine whether the predictions in H-3 are supported, Figures 9, 10, and 11 need to be compared with the values for

unemployment rate found in Figure 2 and in the Appendix. H-3 would be supported in Alameda County, if the lowest rates of success on all indicators were found in 1988, 1993, 1994, and 1995. The highest success rates would be during 1990. This was not the case for any of the three unstandardized indicators. H-3 also predicted that while unemployment was increasing in San Diego County (1988 to 1993), it would have its lowest success rates, with slight increases occurring in 1994 and 1995. While success rates did decrease between 1988 and 1991, and success rates did increase between 1993 and 1995, the data for the years between these two time periods did not entirely support H-3, since the success rates in 1992 and 1993 were on the rise. However, as expected, during the year in which unemployment was at its highest (1993), the rate of grant terminations dropped to zero. Finally, H-3 predicted that Riverside County's success rates would be highest between 1988 and 1990, and much lower during all other years of the study. In 1993, success should have been at its lowest rate. Again, this was not consistent with the actual success rates. The rates, while relatively low, were not at their lowest point.

Indicators standardized by unemployment rate

Figure 12 graphically compares the success of all three counties at placing their GAIN participants in unsubsidized employment when the indicator of county success is standardized by unemployment rate. When the respective county unemployment rates are considered, there is no one county that is clearly the most successful across all years of the study.

In the earliest years examined, none of the three counties under investigation was obviously the most successful at placing GAIN participants in unsubsidized employment. In 1988, San Diego County had the highest

success rate, but then its unsubsidized job placement level dropped below those of the other two counties during 1989 and 1990. Alameda County started out in 1988 with the lowest rate of job placements, but then had increasingly higher rates of success in 1989 and 1990 (as unemployment dropped from 6.4% to 4.4% and 4.0%). In each of the first three years of the study, Riverside County had success rates that fell in between those of the other two counties.

These shorter-term success rates do not support the primary hypothesis (H-1). I expected that Riverside County would show the highest success rates on all three indicators, including unsubsidized job placements during the first three years of the study. Alameda County was expected to have the lowest success rates during the same time period. Neither of these hypotheses was supported. Instead, when standardized by unemployment rate, San Diego had the highest initial rates of unsubsidized job placements. In the same year, Alameda County had the lowest success rate. This is the only occasion where the data supported the hypothesis (H-1). However, the success rates for Alameda County were not consistent with the hypothesis for long. In 1989 and 1990, Alameda County had the greatest success in placing its GAIN participants in unsubsidized employment, the opposite of what was expected. San Diego County had the lowest success rates during these two years, rather than falling between the rates of the other two counties as was hypothesized in Chapter 2.

In the longer-term, the rates of unsubsidized job placements standardized by unemployment rates did not reflect the outcomes predicted in H-2. Between 1993 and 1995, Riverside County had the highest rates of success at placing GAIN participants in unsubsidized employment. Alameda County had the lowest longer-term success rates, even though it

was predicted to be the most successful during that time period. The only county whose results using this first method of standardization met the prediction made in the hypothesis was San Diego County, which yielded success rates that fell in between those of the other two counties.

Figure 13 represents the percentages of GAIN participants in each county who were able to leave AFDC as a result of GAIN-related employment. More accurate measures of success on this indicator were determined by standardizing the indicator by annual county unemployment rates.

In the earliest years of the study, Alameda and Riverside counties had, for the most part, increasing success rates on this indicator. San Diego County, while its values on this indicator were initially much higher than those of the other two counties, ultimately appeared much less successful than them, as its rates of AFDC grant termination due to GAIN-related employment declined sharply.

In the first two years of the study, 1988 and 1989, Alameda County's standardized rates of AFDC grant terminations were lower than those of the other two counties. In the third year, Alameda's success rates surpassed San Diego's grant termination rate. However, Riverside County had higher rates than Alameda County in all three years.

H-1 is neither entirely supported nor refuted by these results. H-1 predicted that Riverside County would have the highest success rates during the first three years under examination. In two of the three years, this was indeed the case. Alameda County was expected to have the lowest success rates during the first three years. Again, in two of the three years, this held true. However, the directions of change in success rates appear to be inconsistent with the predictions of H-1.

The longer term success rates on this indicator are not consistent with the relationships predicted in H-2. Riverside County had the highest success rates from 1993 to 1995, while San Diego County was the least successful during this time period. Alameda County was expected to be the most successful in the longer-term, and Riverside County the least successful.

Figure 14 depicts the rate of AFDC grant reductions resulting from GAIN related employment. Like the indicators represented in Figure 14, this indicator is standardized using annual county unemployment rates. Once again, the values for this indicator do not support the first two hypotheses stated in Chapter 2. In the shorter-term (except for 1988), Alameda County produced the highest rates of GAIN-related AFDC grant reductions, while San Diego County had the lowest rates. Riverside County's success rates fell between those of the other two counties.

In the longer-term, Riverside County had the highest success rates. In 1993 and 1995, San Diego County had the lowest rate of grant reductions, while in 1994 Alameda County yielded the lowest level. These figures again contradict the hypothesized relationships. Riverside County was expected to have the lowest rates of success from 1992 through 1995, while Alameda County was expected to have the highest.

Thus, both the shorter-term and the longer-term standardized success rates for all three of the indicators of the dependent variable discussed in this section fail to support the education hypotheses. There is no consistent trend across the three indicators that allows one to determine which of the GAIN programs was the most successful or the least successful. On two of the indicators, Alameda County yielded the highest shorter-term success rates. But on the third indicator, grant terminations due to GAIN-related

employment, Riverside County appeared to have the highest rate of success.

In the longer-term, Riverside County had the greatest success across all three indicators when they are standardized by unemployment rates. Both Alameda and San Diego counties were consistent in the longer-term only with respect to Riverside County. Neither of the two counties was consistently more or less successful than the other.

Explanation of the Results

This section examines the results of the study by reviewing each of the hypotheses presented in Chapter 2.

Hypothesis 1

H-1 predicted that Riverside County would have the highest shorter-term success rates and Alameda County would have the lowest shorter-term success. H-1 is partially supported by the unstandardized indicators. Riverside County had the highest shorter-term success on two of the three indicators from 1988 to 1990 and on the third indicator in 1988 only. However, Alameda County had the lowest success rates on only one indicator.

When the indicators were standardized by unemployment rate, no one county was clearly more or less successful than the others. Therefore, there was little support for H-1.

Hypothesis 2

The second hypothesis predicted that Alameda County would have the highest longer-term success rates and Riverside County would have the lowest longer-term success. When the indicators were unstandardized,

Riverside had the greatest success on all three indicators between 1992 and 1995. Alameda had the lowest success during that same time period. These results do not support H-2. The results were very similar when the indicators were standardized by unemployment rate. When the indicators were standardized by spending per GAIN participant, San Diego had higher success rates on all three indicators than did Alameda County. Again, there evidently was no support for the predictions made in H-2.

Hypothesis 3

H-3 predicted that county GAIN success rates would vary inversely with unemployment rate. In Alameda County, similar patterns of fluctuations in success are evident in Figures 5 and 6. All three unstandardized indicators and those standardized by unemployment rate had their lowest values in the year in which unemployment was at its highest level, as H-3 predicted. In each method of analysis and for each indicator, the highest level of program success occurred in 1990, when unemployment was at its lowest level. Again, there was fairly strong support for H-3.

H-3 predicted that San Diego County would have its highest success rates in 1988, 1989, and 1990, and its lowest success in 1993. When the indicators were standardized by unemployment rate, these predictions were supported.

H-3 also predicted that Riverside County would attain its highest program success rates in 1989 and 1990 and its lowest success rates in 1993. The lowest rates of program success apparently were in 1993. However, the highest rates were not in the years predicted by H-3. Therefore, again, there appears to be only partial support for the predictions made in H-3.

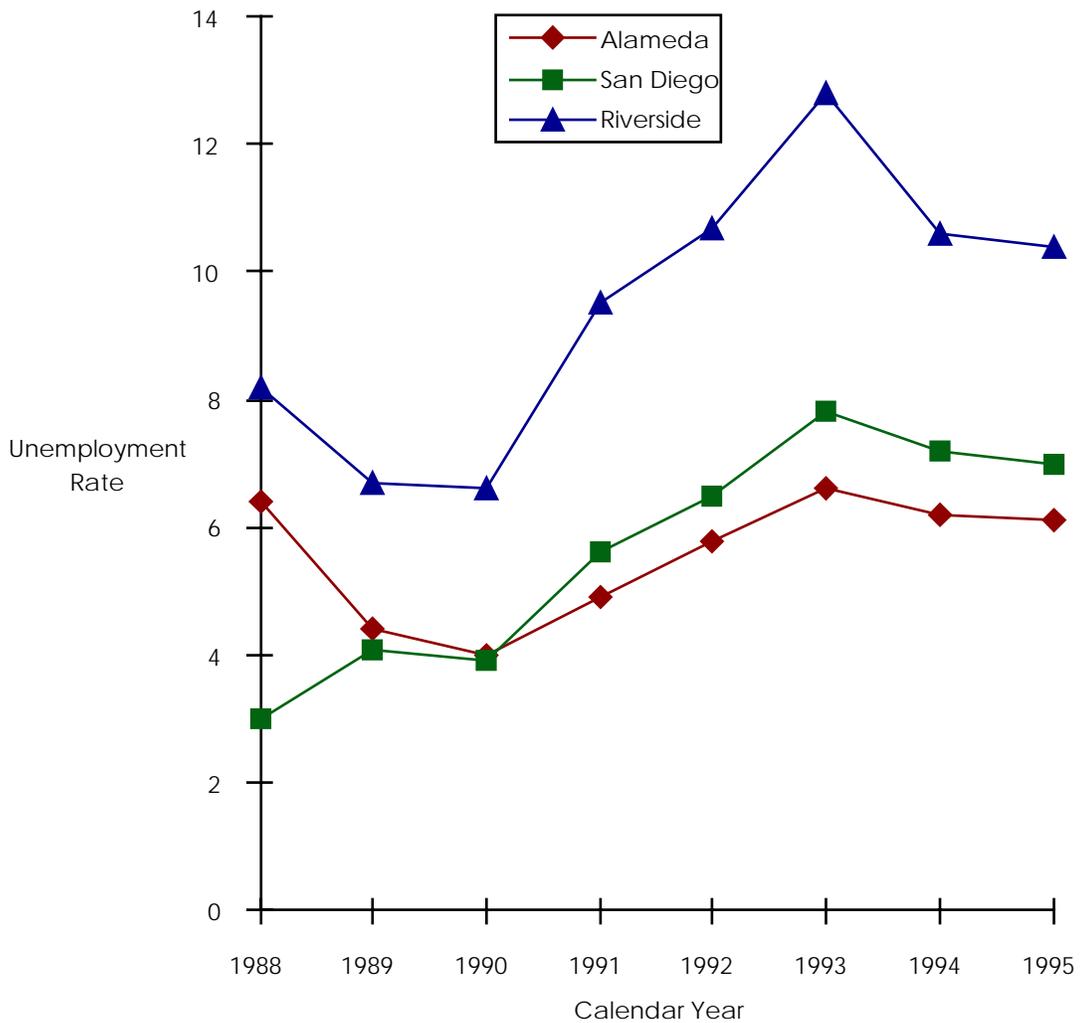


Figure 2
County Unemployment Rates 1988-1995

Sources: Alameda County. GAIN Plan Update. Oakland: Social Services Agency, 1995.
 Riccio, James, Daniel Friedlander, and Stephen Freedman. GAIN: Benefits, Costs, and Three-Year Impact of a Welfare-to Work Program. New York: MDRC, 1994.
 Riccio, James, et al. The Greater Avenues for Independence (GAIN) Program: Early Implementation Experiences and Lessons. New York: MDRC, 1989.
 San Diego County Dept. of Social Services. GAIN: County Plan Update, 1990, 1991, 1992, 1995.
 San Diego County Department of Social Services. GAIN STATPAK, 1989-1995.
 State of California. Internet Home Page. 1996.

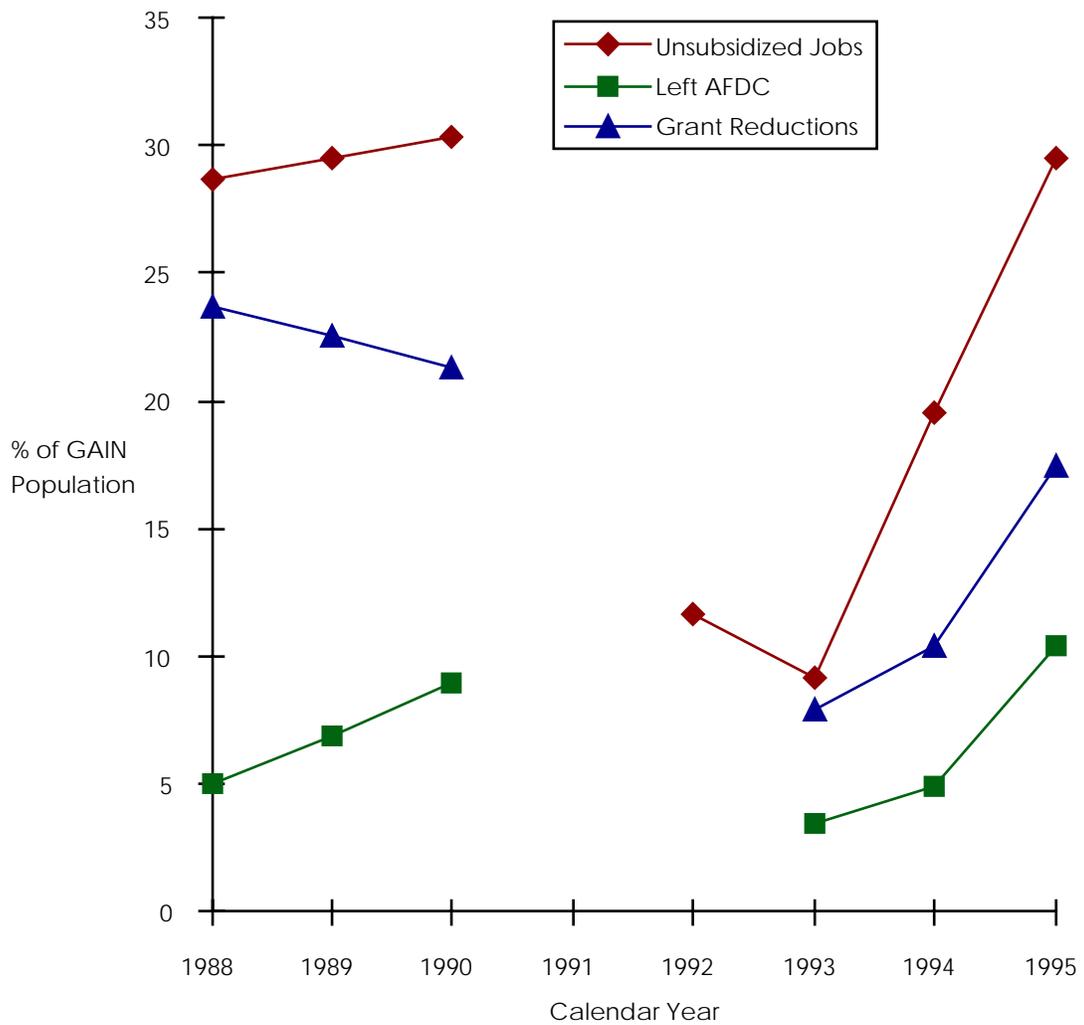


Figure 3
Unstandardized Success Rates in Alameda County 1988-1995

Sources: Alameda County. GAIN Plan Update. Oakland: Social Services Agency, 1995.
 Riccio, James, Daniel Friedlander, and Stephen Freedman. GAIN: Benefits, Costs, and Three-Year Impact of a Welfare-to-Work Program. New York: MDRC, 1994.
 Riccio, James, et al. The Greater Avenues for Independence (GAIN) Program: Early Implementation Experiences and Lessons. New York: MDRC, 1989.
 State of California. Internet Home Page. 1996.

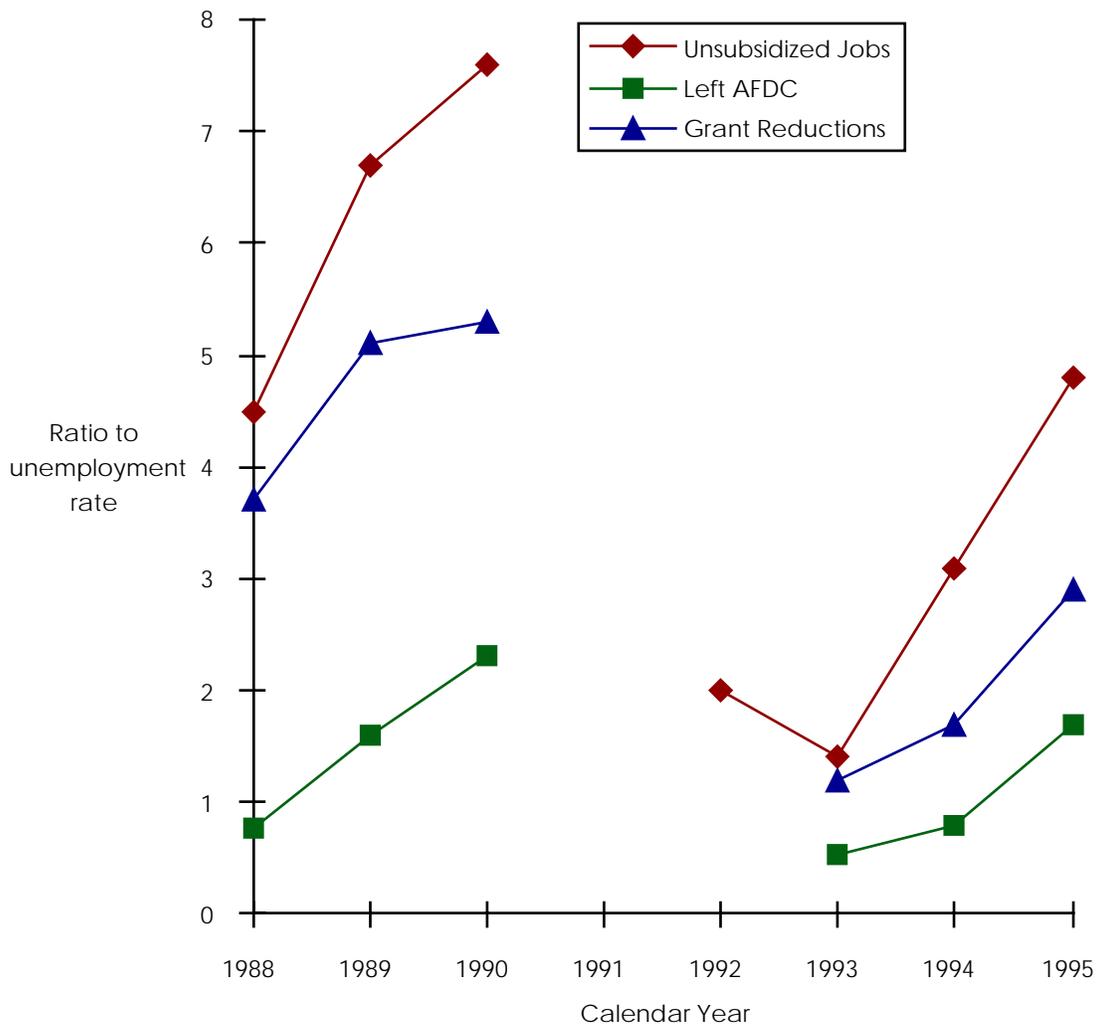


Figure 4
Success Rates in Alameda County when Indicators are Standardized by
Unemployment Rate
1988-1995

Sources: See Figure 3

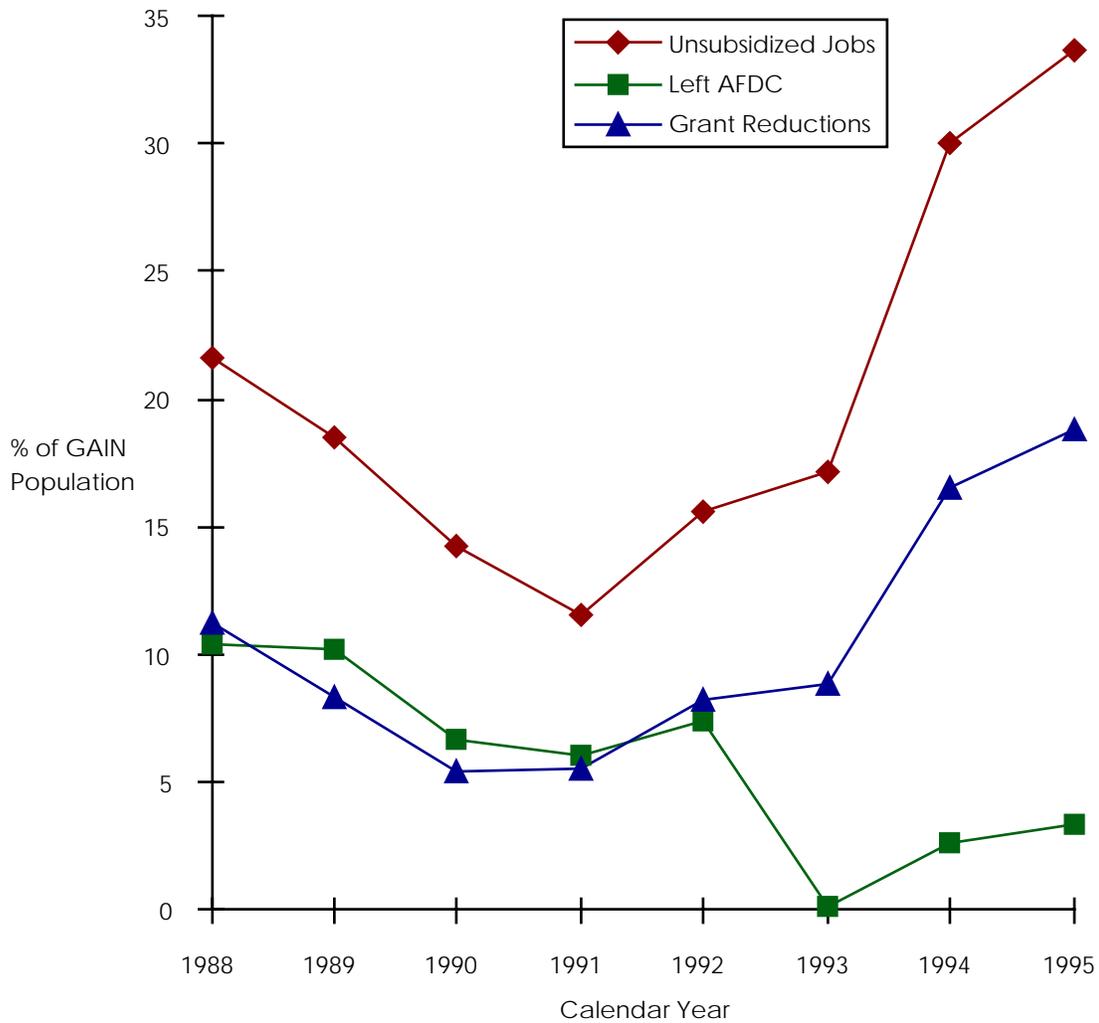


Figure 5
Unstandardized Success Rates in San Diego County
1988-1995

Sources: Riccio, James, Daniel Friedlander, and Stephen Freedman. GAIN: Benefits, Costs, and Three-Year Impact of a Welfare-to Work Program. New York: MDRC, 1994.

Riccio, James, et al. The Greater Avenues for Independence (GAIN) Program: Early Implementation Experiences and Lessons. New York: MDRC, 1989.

San Diego County Dept. of Social Services. GAIN: County Plan Update, 1990, 1991, 1992, 1995.

San Diego County Department of Social Services. GAIN STATPAK, 1989-1995.

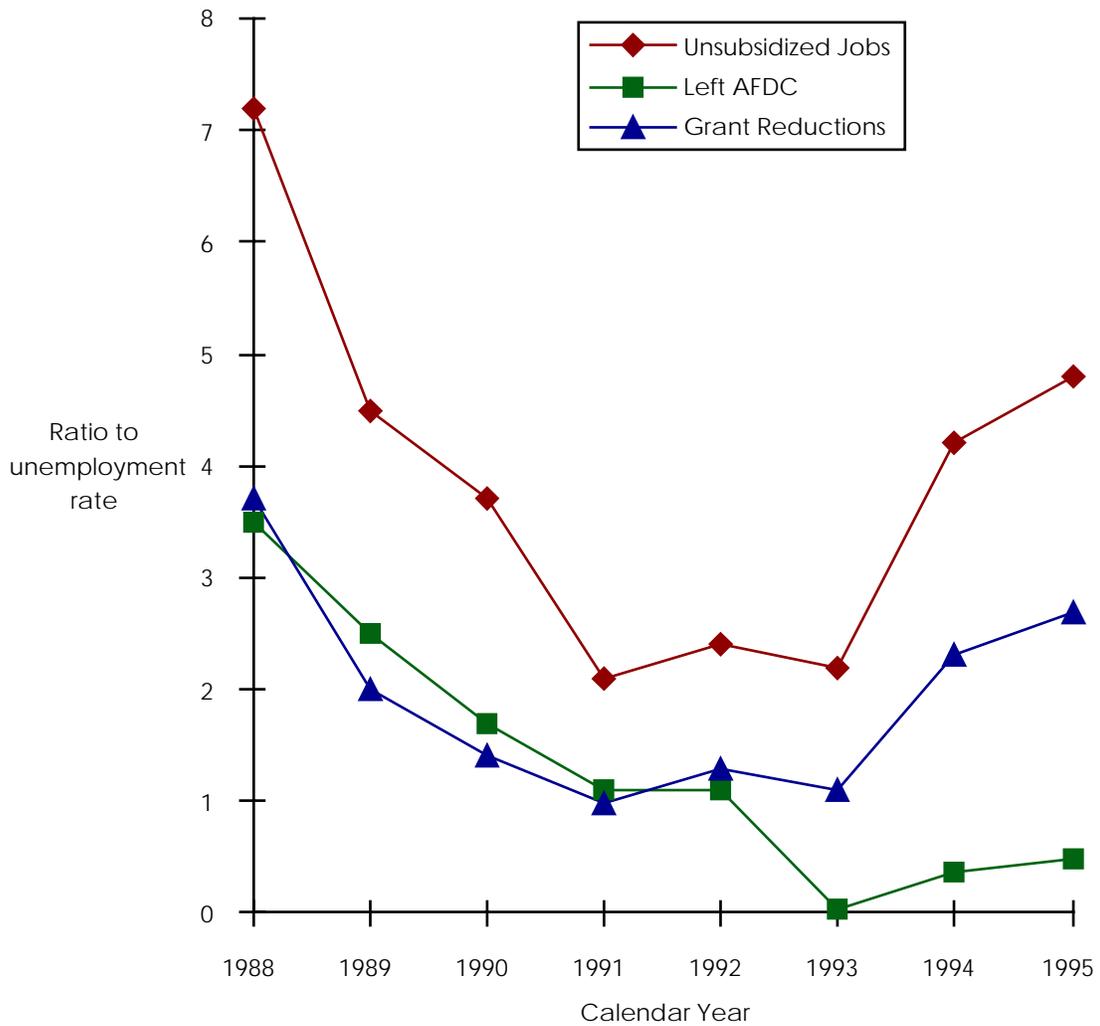


Figure 6
Success Rates in San Diego County when Indicators are Standardized by
Unemployment Rates
1988-1995

Sources: See Figure 5

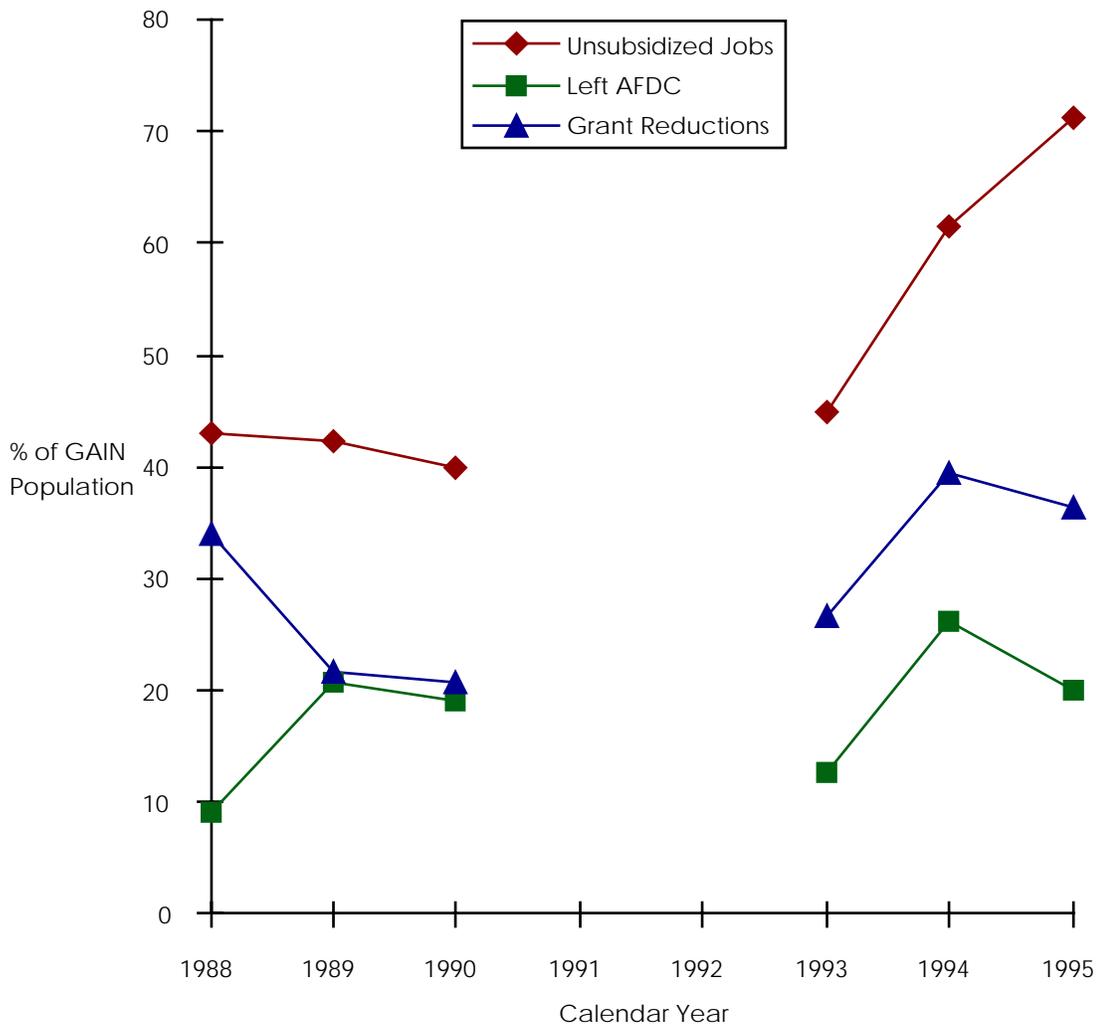


Figure 7
Unstandardized Success Rates in Riverside County
1988-1995

Sources: Riccio, James, Daniel Friedlander, and Stephen Freedman. GAIN: Benefits, Costs, and Three-Year Impact of a Welfare-to-Work Program. New York: MDRC, 1994.
 Riccio, James, et al. The Greater Avenues for Independence (GAIN) Program: Early Implementation Experiences and Lessons. New York: MDRC, 1989.
 State of California. Internet Home Page. 1996.

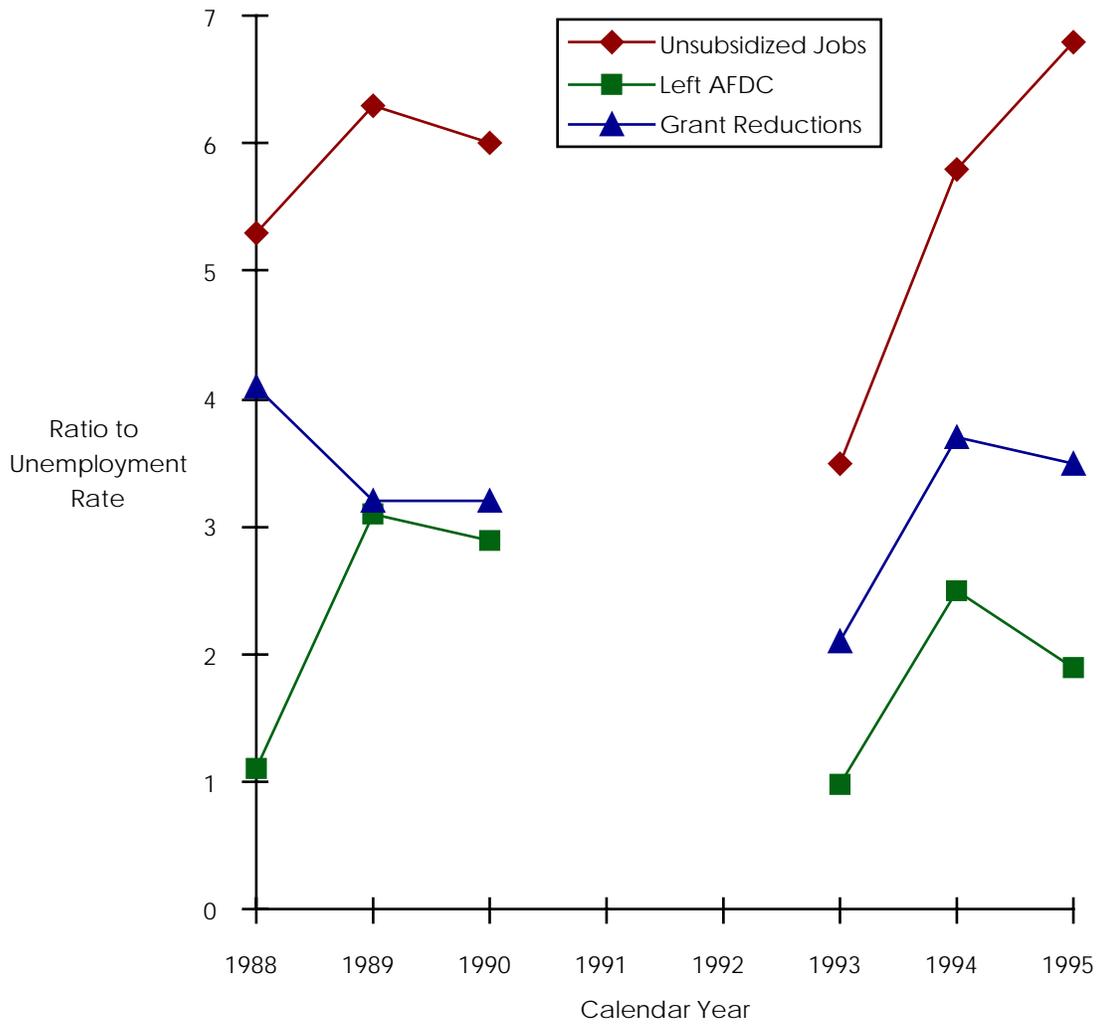


Figure 8
Success Rates in Riverside County when Indicators are Standardized by
Unemployment Rate
1988-1995

Sources: See Figure 7

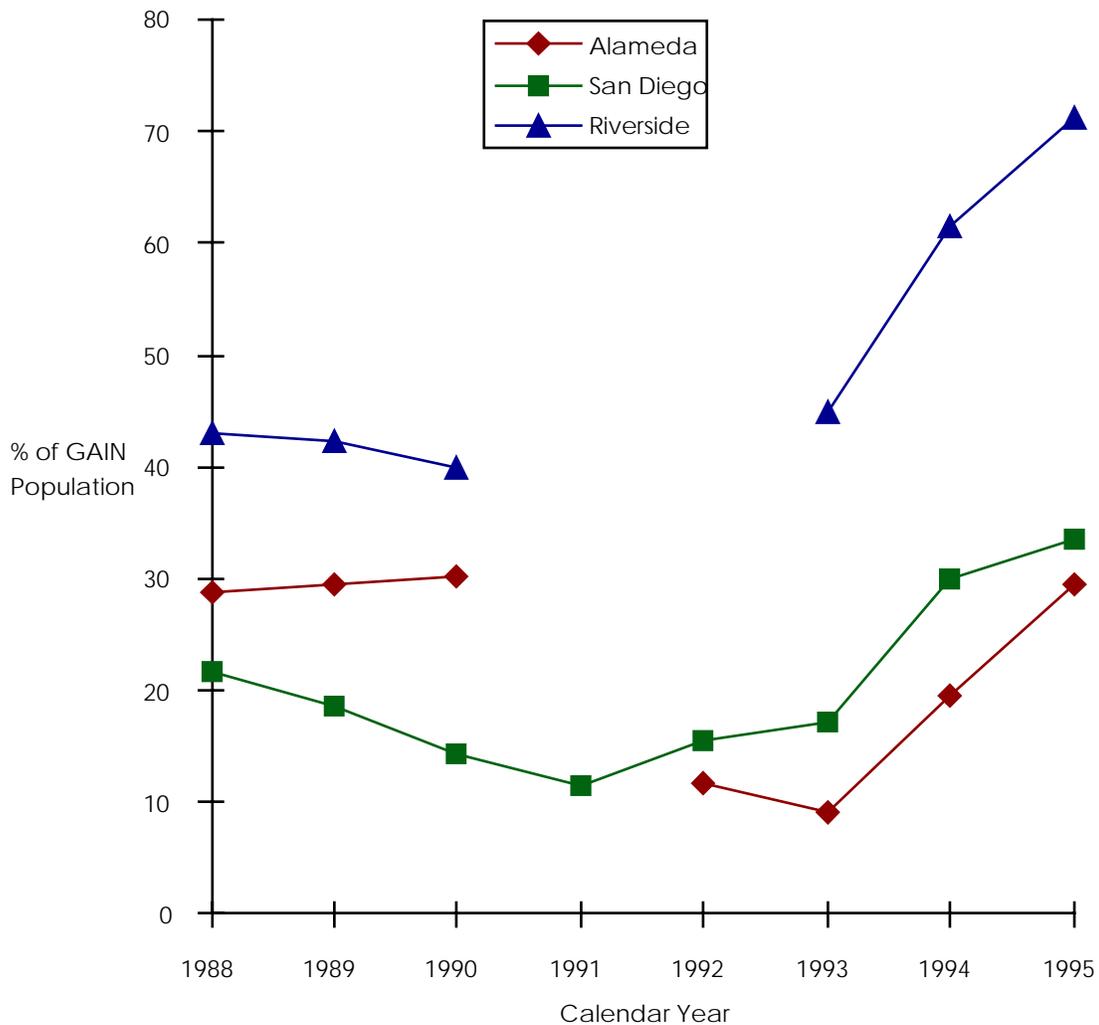


Figure 9
Unstandardized Rate of GAIN Participants Entering Unsubsidized Employment
1988-1995

Sources: Alameda County. GAIN Plan Update. Oakland: Social Services Agency, 1995.
 Riccio, James, Daniel Friedlander, and Stephen Freedman. GAIN: Benefits, Costs, and Three-Year Impact of a Welfare-to Work Program. New York: MDRC, 1994.
 Riccio, James, et al. The Greater Avenues for Independence (GAIN) Program: Early Implementation Experiences and Lessons. New York: MDRC, 1989.
 San Diego County Dept. of Social Services. GAIN: County Plan Update, 1990, 1991, 1992, 1995.
 San Diego County Department of Social Services. GAIN STATPAK, 1989-1995.
 State of California. Internet Home Page. 1996.

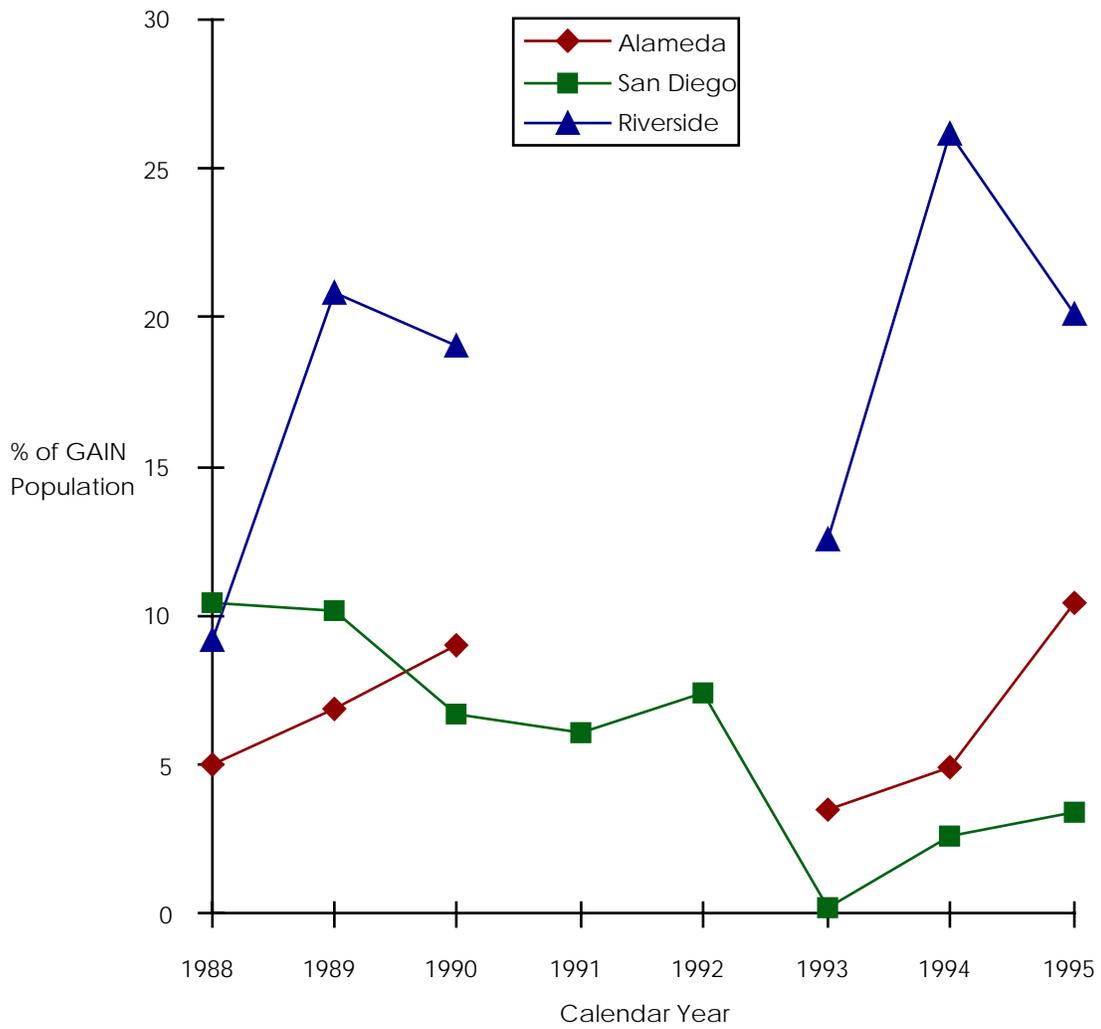


Figure 10
Unstandardized Rate of GAIN Participants Leaving AFDC
1988-1995

Sources: See Figure 9

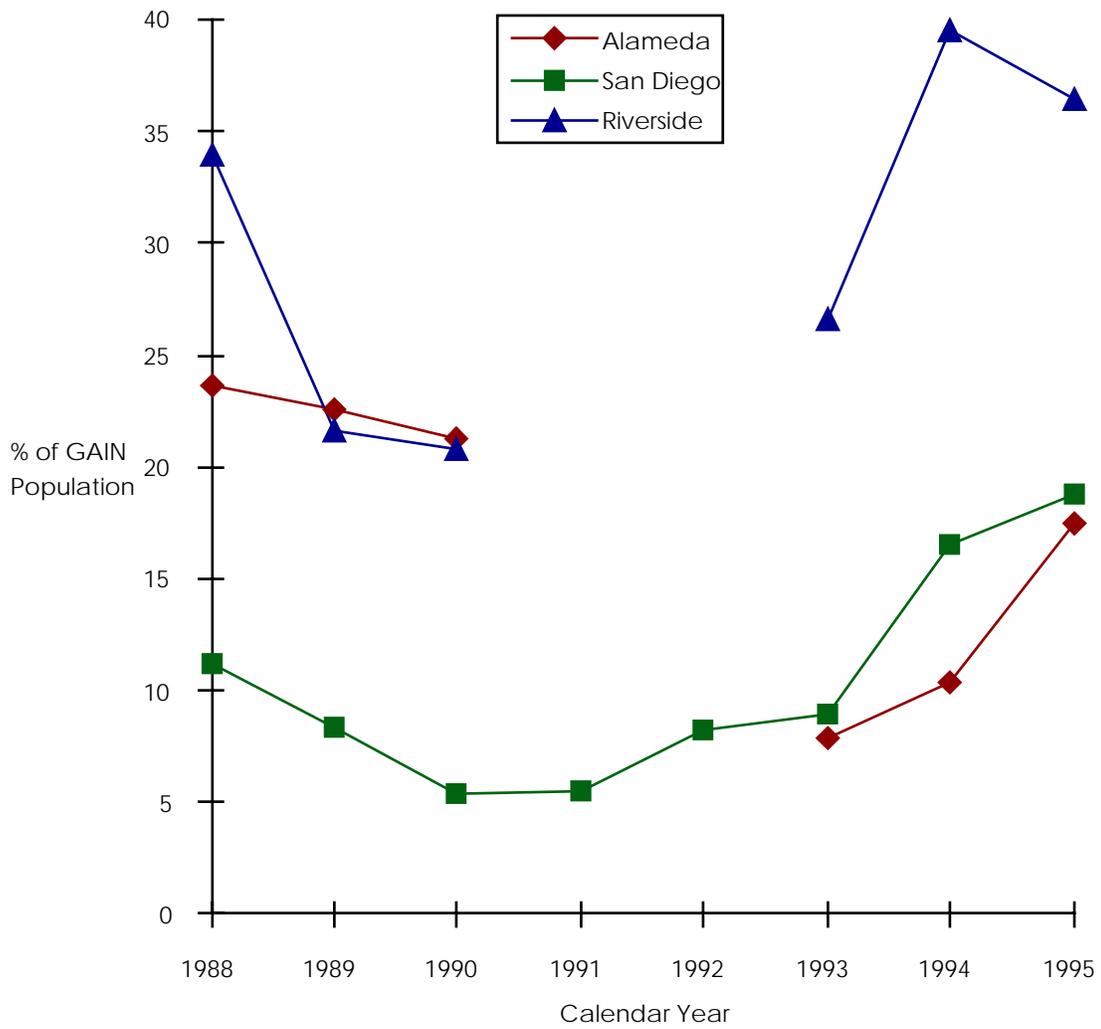


Figure 11
Unstandardized Rate of Grant Reductions
1988-1995

Sources: See Figure 9

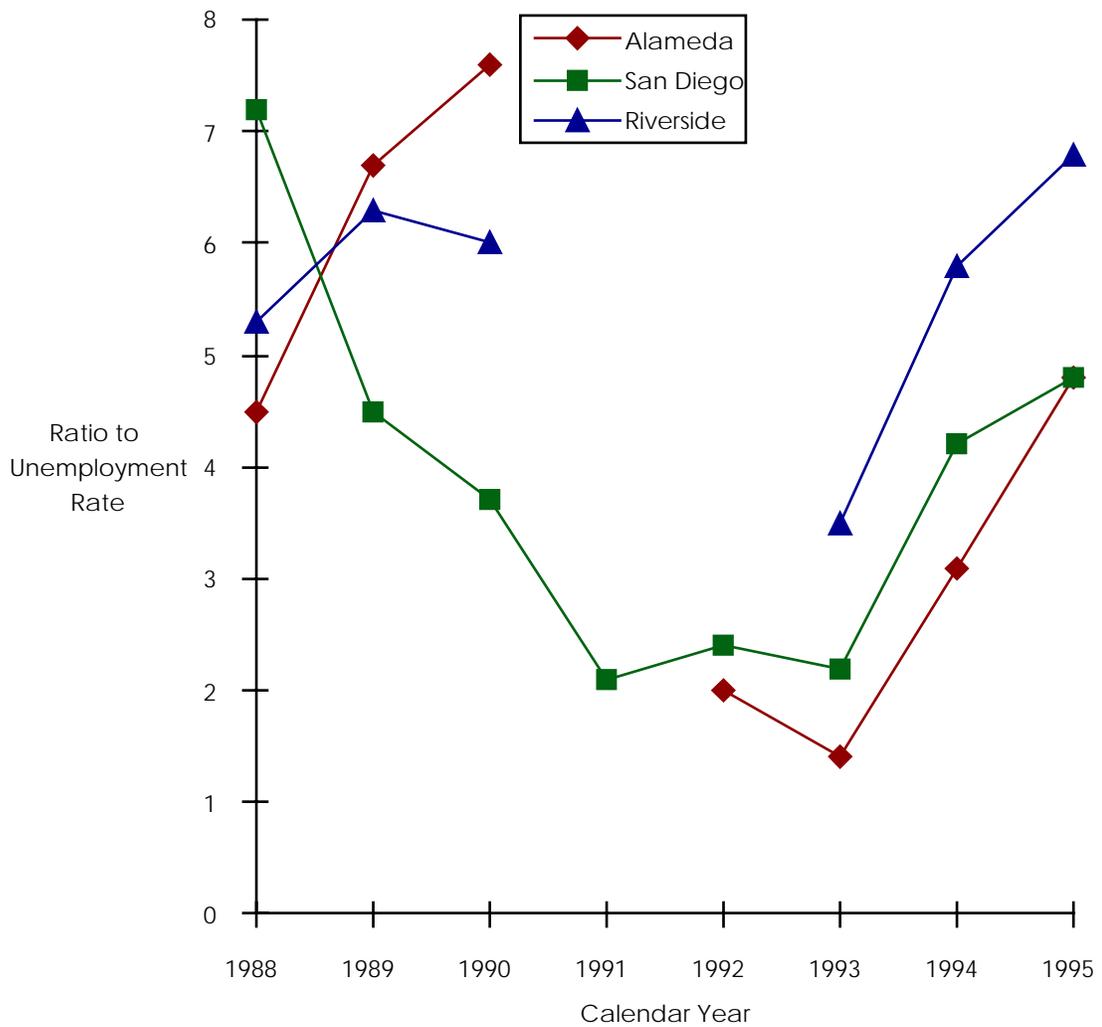


Figure 12
Ratio of GAIN Participants Who Entered Unsubsidized Jobs to County
Unemployment Rate
1988-1995

Sources: See Figure 9

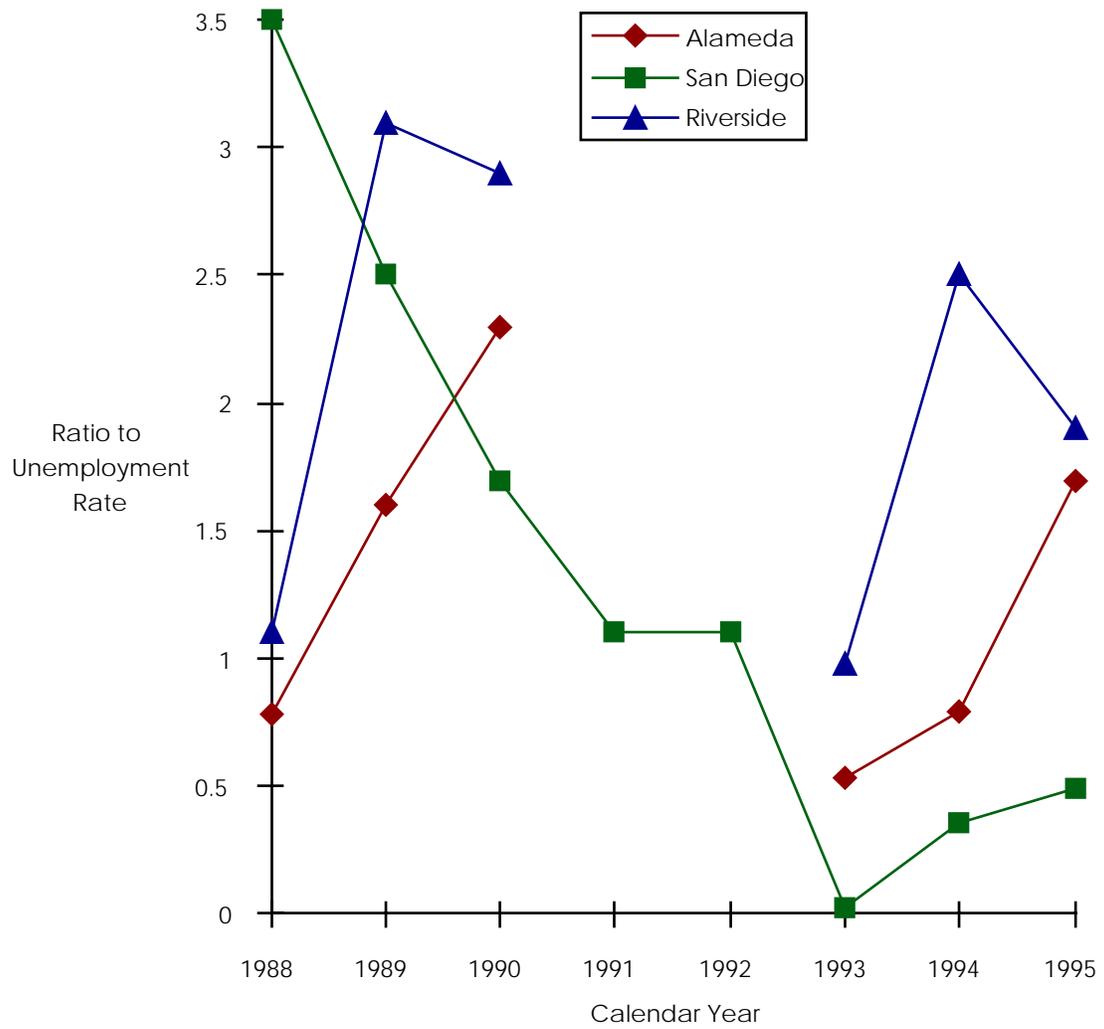


Figure 13
Ratio of GAIN Participants Who Left AFDC Due to GAIN-Related Jobs to
Unemployment Rate
1988-1995

Sources: See Figure 9

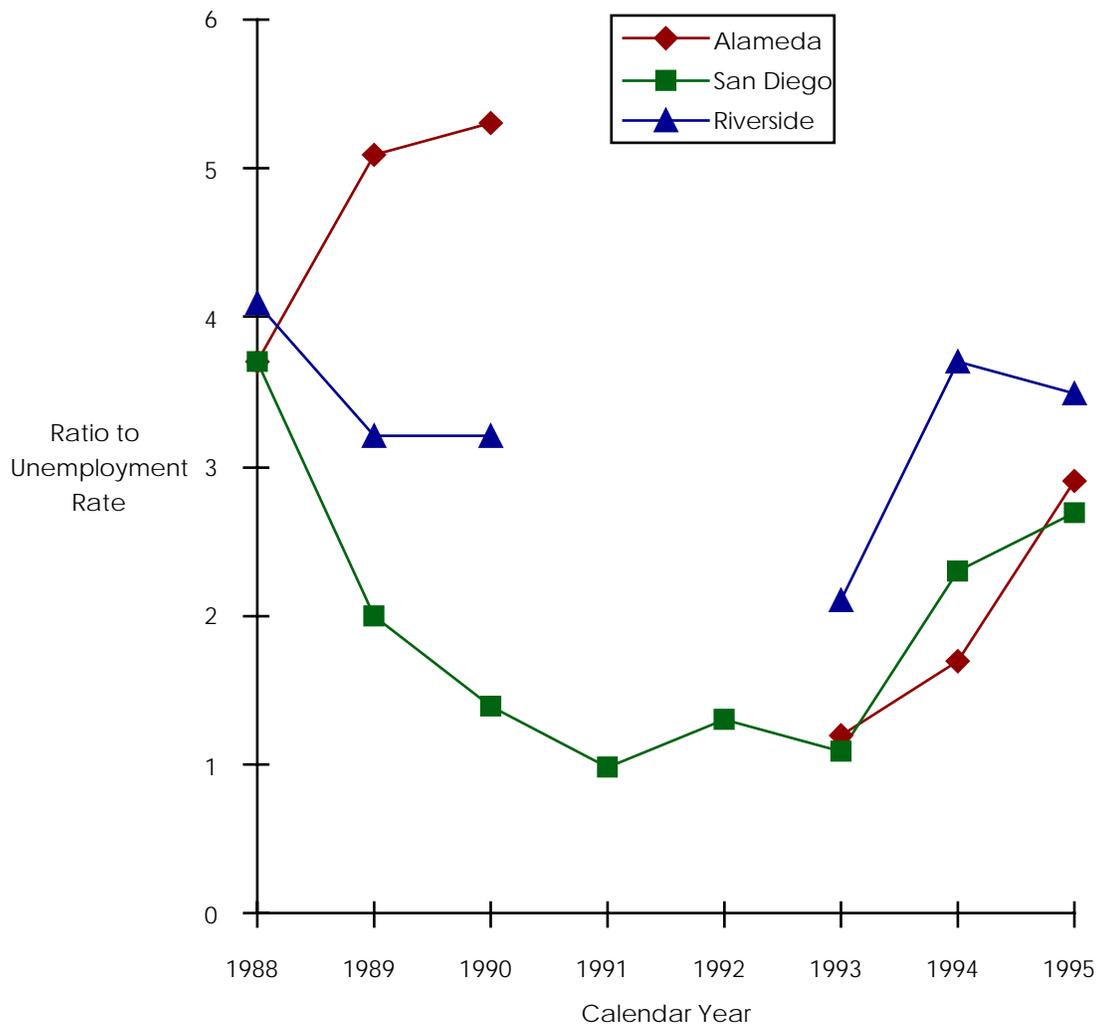


Figure 14
Ratio of Grant Reductions to Unemployment Rate
1988-1995

Sources: See Figure 9

Chapter 4

Conclusions

This chapter seeks to evaluate the findings presented in the previous chapter and to draw some tentative conclusions from them. It also addresses changes that the three counties have instituted that may not have been reflected in the data. Finally, the chapter outlines several avenues for future investigation of the connection between education and the success of welfare programs, both in California and in the rest of the nation.

Summary of Findings

Tables 5 and 6 summarize the evident support that was found for each of the hypotheses using each method of analysis. The strength of support is categorized as none, weak, moderate, strong, or very strong.

Table 5: Support for Hypotheses When Indicators Were Unstandardized

Hypothesis	Strength of Support
H-1	Strong
H-2	None
H-3	Strong

Table 6: Support for Hypotheses When Indicators Were Standardized by Unemployment Rate

Hypothesis	Strength of Support
H-1	None
H-2	None
H-3	Strong

Table 5 indicates that there was strong support for H-1 in two of the three methods of analysis. However, the third method provides no evidence of support for H-1. H-3 seems to have been the most accurate of the hypotheses, since there was strong evidence supporting its predictions from two of the three methods of analysis, and moderate support from the third.

Evaluation of the Findings

Based on these findings, one cannot conclude that providing education above the basic level within the GAIN program had much, if any, positive impact on the success of a county in placing its GAIN participants in unsubsidized employment or in reducing or terminating AFDC payments. In fact, Riverside County, which went to the opposite extreme and provided little education above the basic level, had the highest levels of evident program effectiveness in both the shorter-term and the longer-term. Variations in county unemployment rate seemed to provide a better explanation for program success rates.

There are a number of possible explanations for the apparent effectiveness of the Riverside program. One is that the program may be placing the same individuals in more than one position and crediting itself with

more than one job placement. For example, a person may be placed in a job, leave that position, and then be placed in another. Both employment situations could be counted in the total number of job placements, giving the appearance of greater program success. Since the data gathered in this study did not provide information on individuals, the extent of this problem cannot be determined. I can only speculate that such a situation might exist.

Lawrence Townsend, Riverside's GAIN coordinator, offered an alternate explanation of Riverside County's higher rate of unsubsidized job placements, AFDC grant reductions, and grant terminations. He believes that Riverside's job placement program, which requires participants to take even very low paying jobs in the hopes that they will lead to better employment, helps GAIN participants to develop better work ethics and build more impressive resumes, which could be seen as a method of developing human capital (Gorman 1995, A3). In Townsend's opinion, once this work ethic is established, the rate of placement of GAIN clients in permanent, unsubsidized employment greatly increases.

Townsend would offer no evidence to support his explanation of the reasons for his county's higher GAIN success rates. Low paying jobs are often unskilled positions, which do not contribute much to a resume, and do not indicate to an employer that the individual has any skills that would benefit that employer. Riverside County's success rates suggest that the program was able to place people in jobs, but the numbers do not show how long the positions were held or how well the duties were performed. It is possible that many of the GAIN participants did not develop a work ethic in their low status positions. However, the data do indicate that participants showed some degree of responsibility and ability by accepting and performing the duties

associated with a job. No data were available on the number of GAIN participants that either quit or were fired from their positions.

The lack of success of Alameda County's GAIN program fails to support the view that education is a valuable part of welfare programs. It simply indicates that Alameda County did not obtain the expected results from the education it provided to its GAIN clients. It is possible that the program was not implemented as effectively as possible. The staff may have been improperly prepared for the task of assessing the needs of welfare recipients, placing them in appropriate educational programs or employment, and monitoring their progress. Thus, many GAIN clients actually may not have completed the educational activities that would be the most beneficial to them (Holguin 1996).

Alameda County's GAIN program also may have appeared to be more successful if other indicators had been examined. For example, data gathered by California's Department of Social Services (1988 - 1991) suggested that while Alameda may not have had as many unsubsidized job placements, AFDC grant reductions, and grant terminations as Riverside and San Diego counties, those placements Alameda did make were of a higher quality. Alameda County's GAIN clients who were placed in employment earned much higher wages than did the clients in the other two counties. Thus, Alameda may have provided its clients with a higher quality of living than the other two counties. However, this possibility likely is at least partially offset by the fact that Alameda County has a higher cost of living than do the other two counties.

The unexpected rates of success within the three counties also may have resulted from factors at work within the counties that were not included among the control variables. Without further research, it is impossible to

determine exactly what such factors might be. However, I can speculate that the lack of proper monitoring of GAIN clients and enforcement of participation in the activities to which individuals were referred caused Alameda County to yield results that were less than what was expected.

In addition, the values of some of the control variables may have been misleading. Although the proportions of the population that do not speak English "very well" were close enough to be considered the same, they may not have accurately represented the part of the population that they claimed to include. Since these values were compiled from self-reported information in the 1990 census, their reliability can be called into question. Some individuals, for one reason or another, may have elected to report false levels of English proficiency, perhaps misunderstanding the actual purpose of the census. This would result in an invalid representation of the non-English speaking population. Changing immigration patterns in the two southern counties included in the study could have resulted in changes in the proportion of the population unable to speak English "very well." In many cases, language skills may be necessary to obtain employment.

Analysis of the Findings

Based on the data yielded by this investigation, I must conclude that the fact that Alameda County emphasized education in its GAIN program did not lead it to have higher longer-term success rates by 1995 than the other two counties. If the educational services provided by GAIN did have a positive effect on the participants in the program, there is little or no evidence of it beyond the first few years of the program's operation. Although it was predicted that Alameda County would have the lowest shorter-term success rates, it did not always have the lowest success rates. Since some of

Alameda's higher rates of success on all three indicators of the dependent variables occurred during these early years, it is apparent that the delay in program success that was expected did not occur. Instead, it appears that those individuals who did not participate in educational services for extended periods of time were most likely the ones placed in employment, because they were the people who were available for employment.

Alameda County's success rates seem to be better explained by the alternate hypothesis (H-3) that predicted that GAIN program success rates would vary inversely with the unemployment rate. The unemployment rate may not have been the only factor affecting the success rates in Alameda, but there is support in the data for concluding that it had some effect on the county's levels of GAIN program success.

Alameda County has not been alone in the problem of having GAIN participants fail to complete educational activities. Dan Conners, Placer County's GAIN Director, expressed a similar dilemma within his county's program. That county also chose to focus heavily on education, but low attendance led it to alter its strategy to more closely emulate that of Riverside County.

Alameda County's GAIN program might have more promising results if it attempts to alter its strategy to place less emphasis on providing GAIN participants with higher levels of education, and more emphasis on helping them to expand their resumes in other ways, perhaps by gaining skills through unpaid work experience. Or, the focus on education could be continued if a less intimidating educational environment could be created or if sanctions for non-attendance were put into place. It is important to keep in mind that these possibilities for improving the success rates of Alameda County's GAIN

program are only speculations, since we do not really know what types of education are effective for different groups of people.

Riverside County's rigorous job search strategy, while seeming unconcerned with the future employability of GAIN participants, was more successful on all three indicators of the dependent variable in the longer-term. The strategy of treating all clients as simply cases in need of encouragement to work and moving them through the system as rapidly as possible was apparently a more effective approach. This case provides support for not spending extra time and money trying to educate welfare recipients; an immediate job search seems to have been more effective. Riverside's staff became so efficient at moving people through GAIN rapidly that it has served as a model for other counties and other states.

San Diego County seems to have been attempting too much and not accomplishing enough. The county tried to pull far more people into its GAIN program than its staff apparently was able to handle. More recently, the county has been trying to implement a combination of the GAIN designs of both Alameda and Riverside counties. This approach has not been very successful, although it has shown slight improvement since 1993. San Diego County likely needs to select a more reasonable design for its program that it will be able to implement with the resources available. The county perhaps would be able to attain higher rates of success if it reduced its caseload until it is able to successfully serve a smaller GAIN population. When the county has accomplished this, it could then begin to increase its caseload to the desired level. It also might be beneficial for the county to choose either education or immediate job placement as its focus and try to become more adept at dealing with whichever type of program it chooses.

The success rates at placing GAIN participants in unsubsidized employment, reducing AFDC grants, and terminating grants may also be affected by structural factors over which welfare programs have no control. Within society there exist many biases that could hinder the ability of an individual to find employment. Racial prejudice, no matter how subtle, can hurt the chances of welfare recipients seeking certain jobs. All welfare recipients, no matter what their work ethic or reason for receiving public assistance, are likely to be affected to some degree by the stigma and stereotype associated with people relying on public assistance for support. They are likely to be viewed as lazy and lacking in the desire to be self-sufficient. No amount of education provided to the welfare recipient could overcome these factors.

Although this discussion may seem to suggest a partial abandonment of my belief that education is an essential part of welfare programs, it really is not. I still believe that it is important to develop the human capital of welfare recipients. However, it seems that Alameda County did not find a very effective way to incorporate education into GAIN. Perhaps a more effective education program would focus more on helping welfare recipients gain the skills that are in demand, such as computer and customer service skills. In other words, there would be more emphasis on skills training than on education. Education should not be removed from welfare programs entirely, but the focus of it needs to be geared towards the needs of the job market, especially since the welfare reforms enacted in 1996 limit the amount of time an individual can receive public assistance. In order to continue with educational programs, they would need to be scheduled around work hours or be provided within the job itself.

Conclusions

Education does not appear to have a positive impact on the size of welfare roles. Instead, immediate job placement seems to be a much more effective way of reducing the welfare population.

Education may not be effective in eliminating welfare because it may actually be targeting a separate, but related issue--poverty. Education can provide what is necessary to allow people to be self-sufficient once they are back on their feet, but job placement is what can get them on their feet in the first place. Education is more likely to be beneficial to welfare recipients once they are established in a job. With education, they might be able to grow within their current positions or find other, more rewarding employment. The risk of returning to welfare can thus be decreased.

Recent Developments in County Programs

Program analysts in Alameda County and San Diego County indicated that their counties were aware of the higher success rates of Riverside County's job placement program. In fact, in 1996 the two counties contemplated changing their programs to make them more like Riverside County's more successful GAIN program (Holguin 1996; Gowan 1996).

Alameda's difficulties with getting its GAIN clients to complete educational activities led it to take a closer look at a strategy that it had initially dismissed as "cold and impersonal." To the surprise of the county's GAIN administrators, Riverside's staff had been able to provide a great deal of personalized attention and encouragement to GAIN clients, while still quickly moving them out of the program and into employment. Since the misgivings of Alameda's GAIN administrators about Riverside's strategy have been

assuaged, the county is now confidently moving towards instituting a similar program (Holguin 1996).

San Diego County has been trying to become more effective at rapidly placing its GAIN participants in employment. The county is working more closely with the State Employment Development Department in order to provide its clients with the most accurate and complete listing of employment opportunities. Education has been practically eliminated and is only being provided as a last resort for those people who absolutely cannot get jobs without it (Gowan 1996).

In 1997 GAIN was replaced by the California Temporary Assistance Program (CalTAP). CalTAP was based on the existing GAIN program, but there is one major difference--the program is time-limited. The counties are still given quite a bit of flexibility in implementation, so there is likely to be a number of variations to the program (Handsnet 1997).

Directions for Future Research

There is need for further research on the role of education in helping welfare recipients to become self-sufficient. Since this study only looked at three counties in California over an eight year period, it cannot be considered to have yielded any conclusive results on the success of different variations of the GAIN program, let alone the effects of education within welfare programs in general.

Future research could take a number of directions. Before the possibility of a connection between educational services and the success of welfare programs can be discarded, other attempts should be made to establish this relationship or to understand why there is not a relationship. One study alone

cannot provide conclusive evidence of the value of education within welfare programs. I would like to continue to investigate Alameda County's GAIN program to find an alternative explanation for the program's disappointing success rates. I believe that the county has been on the right track in its program strategy, but that there must have been something impeding the successful implementation of this strategy. Perhaps an investigation of such factors as the quality of job placements and whether individuals remain off welfare would suggest that Alameda's approach to the implementation of GAIN did indeed have merit.

It would also be useful to reevaluate the success rates of Alameda County's GAIN program when and if a method of enforcing attendance in educational programs were implemented. Enforcement would ensure that people enrolled in educational programs actually received that education. In Alameda County, the GAIN program ran under the assumption that program participants were being educated, when, in fact, many of them were not.

Yet another way to attempt to understand the influence of education would be to perform essentially the same investigation as was done here using different counties in California, which had different GAIN success rates, as the objects of study. However, it is likely that this research would have to include fewer years, since many of the counties began operating their GAIN programs several years after the test counties implemented their programs. Only shorter-term results could be examined at this time. The longer-term success rates would have to be explored at a later date, however they are likely to be affected by recently enacted federal welfare reform legislation.

Regression analyses using individual level data could provide a more precise measure of the relationship between education and GAIN program success. More exact control variables and standardizations could be used.

More variations in the level of education provided within the program could be considered, instead of considering only three program designs, as this study did. A whole host of alternate explanations for program success could be considered in this type of analysis.

Another option for further examining the benefits of education for welfare recipients would be to examine programs that are not directly associated with the welfare program. The U.S. Department of Housing and Urban Development began a program in 1995 designed to help residents of HUD-subsidized rental communities begin to support themselves without HUD assistance. The program, Neighborhood Networks, funds computer learning centers inside the apartment communities which are available to all residents. Some communities have even chosen to place computers in each unit. Residents are given the opportunity to learn the computer skills that will make them more employable. Service coordinators are employed to ensure that all residents have access to the computers and that they receive the training needed to use them properly and effectively. A future study could examine the rate at which the residents of these communities are able to find employment and move into unsubsidized units.

Performing one or more of these studies could provide more evidence to support continuing to provide welfare recipients with the opportunity to attain higher levels of education. Alternately, additional study also could suggest that education is ineffective at attaining the ultimate goal of welfare programs--reducing or eliminating the need for welfare.

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Appendix: County Data
Alameda County
Data for 1988 through 1995

Indicators of dependent variable	1988	1989	1990	1991	1992	1993	1994	1995
# of participants in GAIN program	1421	2132	2880	unavail.	2580	3181	3293	2595
# & % of participants who entered unsubsidized jobs	408 28.7%	629 29.5%	873 30.3%	257	302 11.7%	293 9.2%	641 19.5%	766 29.5%
# & % who left AFDC due to GAIN-related employment	71 5.0%	148 6.9%	260 9.0%	unavail.	unavail.	111 3.5%	164 4.9%	271 10.4%
# & % of grant reductions due to GAIN-related jobs	337 23.7%	481 22.6%	613 21.3%	unavail.	unavail.	251 7.9%	343 10.4%	454 17.5%
Annual level of spending on the Gain program	5,208,647	6,571,847	7,419,830	5,149,536	4,970,281	5,260, 981	9,289,964	8,312,936

Alameda County
Data for 1988 through 1995

Indicators of dependent variable	1988	1989	1990	1991	1992	1993	1994	1995
Percent of population enrolled in GAIN	0.1%	0.2%	0.2%	unavail.	0.2%	0.2%	0.2%	0.2%
Ratio of participants entering unsub. jobs to unemploy. rate	4.5	6.7	7.6	unavail.	2.0	1.4	3.1	4.8
Ratio of # leaving AFDC due to GAIN-related employment to unemploy. rate	.78	1.6	2.3	unavail.	unavail.	.53	.79	1.7
Ratio of grants reduced to unemploy. rate	3.7	5.1	5.3	unavail.	unavail.	1.2	1.7	2.9
Unemployment rate	6.4%	4.4%	4.0%	4.9%	5.8%	6.6%	6.2%	6.1%
Population	1,248,600	1,266,300	1,283,000	1,305,100	1,327,300	1,340,000	1,352,000	1,363,400

San Diego County
Data for 1988 through 1995

Indicators of dependent variable	1988	1989	1990	1991	1992	1993	1994	1995
# of participants in GAIN program	25,916	42,839	46,980	19,513	32,496	32,889	26,960	29,645
# & % of participants who entered unsubsidized jobs	5598 21.6%	7927 18.5%	6716 14.3%	2269 11.6%	5059 15.6%	5657 17.2%	7980 30.0%	9975 33.6%
# & % who left AFDC due to GAIN-related employment	2704 10.4%	4361 10.2%	3127 6.7%	1192 6.1%	2396 7.4%	82 0.2%	700 2.6%	1000 3.4%
# & % of grant reductions due to GAIN-related jobs	2894 11.2%	3568 8.3%	2559 5.4%	1077 5.5%	2663 8.2%	2914 8.9%	4449 16.5%	5561 18.8%
Annual level of spending on the Gain program	22,781,663	22,662,002	21,847,522	17,750,174	18,849,063	17,032,643	18,899,889	18,662,615

San Diego County
Data for 1988 through 1995

Indicators of dependent variable	1988	1989	1990	1991	1992	1993	1994	1995
Percent of population enrolled in GAIN	1.1%	1.7%	1.9%	0.1%	1.2%	1.2%	1.0%	1.1%
Ratio of participants entering unsub. jobs to unemploy. rate	7.2	4.5	3.7	2.1	2.4	2.2	4.2	4.8
Ratio of # leaving AFDC due to GAIN-related employment to unemploy. rate	3.5	2.5	1.7	1.1	1.1	.03	.36	.49
Ratio of grants reduced to unemploy. rate	3.7	2.0	1.4	.98	1.3	1.1	2.3	2.7
Unemployment rate	3.0%	4.1%	3.9%	5.6%	6.5%	7.8%	7.2%	7.0%
Population	2,420,800	2,465,200	2,520,100	2,579,600	2,636,600	2,665,900	2,705,800	2,742,600

Riverside County
Data for 1988 through 1995

Indicators of dependent variable	1988	1989	1990	1991	1992	1993	1994	1995
# of participants in GAIN program	2470	3416	3562	unavail.	unavail.	6991	7098	7898
# & % of participants who entered unsubsidized jobs	1065 43.1%	1448 42.4%	1421 39.9%	unavail.	unavail.	3145 45.0%	4364 61.5%	5624 71.2%
# & % who left AFDC due to GAIN-related employment	227 9.2%	710 20.8%	680 19.1%	unavail.	unavail.	884 12.6%	1863 26.2%	1591 20.1%
# & % of grant reductions due to GAIN-related jobs	838 33.9%	738 21.6%	741 20.8%	unavail.	unavail.	1859 26.6%	2805 39.5%	2886 36.5%
Annual level of spending on the Gain program	unavail.	unavail.	unavail.	unavail.	unavail.	unavail.	unavail.	10,961,966

Riverside County
Data for 1988 through 1995

Indicators of dependent variable	1988	1989	1990	1991	1992	1993	1994	1995
Percent of population enrolled in GAIN	0.2%	0.3%	0.3%	unavail.	unavail.	0.5%	0.5%	0.6%
Ratio of participants entering unsub. jobs to unemploy. rate	5.3	6.3	6.0	unavail.	unavail.	3.5	5.8	6.8
Ratio of # leaving AFDC due to GAIN-related employment to unemploy. rate	1.1	3.1	2.9	unavail.	unavail.	.98	2.5	1.9
Ratio of grants reduced to unemploy. rate	4.1	3.2	3.2	unavail.	unavail.	2.1	3.7	3.5
Unemployment rate	8.2%	6.7%	6.6%	9.5%	10.7%	12.8%	10.6%	10.4%
Population	1,248,600	1,266,300	1,283,000	1,305,100	1,327,300	1,340,000	1,352,000	1,363,400

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Education

M.A., Political Science, December 1997

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Virginia Polytechnic Institute and State University, Blacksburg, VA

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*Continuing Graduate Education: Coursework in the Joint Program in Survey
Methodology, University of Maryland, College Park, MD*

Experience

Statistical Analyst, Aspen Systems Corporation

Rockville, MD

October 1997 to present

Reference

- Design and implement surveys for the National Criminal Justice
Service (NCJRS)

- Analyze survey results and prepare reports for the Justice Department
and the Executive Office of the President

- Analyze characteristics NCJRS user community

- Prepare statistics for monthly progress reports to the Justice

Department

Research Analyst

August 1996 to October 1997

and

- Performed research for HUD's Multifamily Housing Clearinghouse

Housing Counseling Clearinghouse

- Developed outreach materials and strategy for the Homeownership
Opportunities for Women Initiative

- Provided referrals for housing counseling to callers in English and

Spanish

- Wrote, edited, and reviewed articles for *Counselor's Connection*

- Performed data analysis for FHA Bridal Registry and HUD Homes

hotline

- Designed and administered survey of housing counseling agencies

- Take and analyze complaints from tenants in HUD-assisted properties

- Develop fact sheets on HUD Multifamily programs

- Designing survey of caller satisfaction with services provided

Consultant/Translator, Market Power

Pilot Hill, CA

December 1996 to present

- Translate advertisements from English to Spanish

Research Intern, Housing Assistance Council

Washington, DC

June 1996 to August 1996

- data
- Developed survey instrument to gather migrant farm worker housing
 - Responsible for data collection and coding
 - Responsible for follow-up and technical assistance to field staff

Teaching Assistant, Department of Political Science, Virginia Tech
Blacksburg, VA

August 1994 to May 1996

- Prepared students for exams
- Evaluated and graded term papers and research projects

**Community
Service**

Volunteer at Montgomery County Humane Society 1997 to present