

Review of Studies on ABAWDs and Similar Populations

A literature review was conducted to provide an overview of existing information on the employability of the ABAWD population, now targeted by the Food Stamp E&T Program, the employment outcomes of ABAWDs who have been on the Food Stamp Program, and the experience of the Food Stamp E&T Program in serving this population. There is little published literature specifically on the ABAWD population enrolled in the Food Stamp Program and no specific assessments of how the Food Stamp E&T Program has served this population in the past. Thus, this study's literature review relied primarily on studies that estimated the size and characteristics of the ABAWD population from national samples and on State and local studies of programs that served ABAWDs or similar populations. The last national evaluation of the Food Stamp E&T Program was also reviewed.

The results of this literature review are summarized in this chapter and organized in three areas:

- ***Size of the ABAWD Caseload in the Food Stamp Program.*** The first section synthesizes published estimates on the size of the ABAWD population in relation to the entire food stamp caseload and the drop in ABAWD participation in the Food Stamp Program since the 3-month time limit went into effect.
- ***Characteristics of ABAWDs Participating in the Food Stamp Program and Those Who Left Due to the Time Limit.*** The second section summarizes the published estimates on ABAWDs participating in the Food Stamp Program, based on quality control program data as well as data available on employment outcomes among ABAWDs who were cut off food stamps due to the time limit.
- ***Evaluations of E&T Programs Serving Food Stamp Participants and Populations Similar to ABAWDs.*** The third section reviews the findings from evaluations of past food stamp E&T efforts and other E&T programs directed at populations who are similar to ABAWDs in characteristics and employment barriers.

The review includes findings from an evaluation of the E&T program for General Assistance recipients in Illinois, the national evaluation of the JTPA program for low-income adults, and the evaluation of a national demonstration program for homeless individuals—a subgroup within the ABAWD population facing many barriers to employment.

Size of the ABAWD Caseload in the Food Stamp Program

To date, there has been no official count of the number of ABAWDs who are subject to the food stamp time limit nationwide, and thus no precise measure of the size of the target group for the BBA Food Stamp E&T funding can be made. Nonetheless, based on estimates from the Food Stamp Program Quality Control (QC) data on the number of unemployed, nondisabled adults without dependents, it is widely accepted that ABAWDs are only a very small part of the total food stamp caseload. A recent study conducted for FNS estimated that in August and September 1997—less than one-half year after ABAWDs were first cut off the Food Stamp Program—ABAWDs comprised just over 2 percent of all food stamp participants (Castner and Cody, 1999).

Not only did this study determine that ABAWDs comprised a very small portion of the caseload in 1997, but they were a shrinking portion. The number of ABAWDs estimated to have been participating in the Food Stamp Program in August and September 1997 was 44 percent less than the previous year, having dropped from 836,000 in 1996 to 480,000 in 1997 (Castner and Cody, 1999). The decline in ABAWD participation far exceeds the overall decline in food stamp participation during this period.

The overall decline in food stamp participation is due to a combination of the economic expansion of the late 1990s and changes in various program rules related to welfare reform (Figlio et al., 2000). The implementation of the 3-month time limit for ABAWDs, however, is likely

the main cause of the decline in the food stamp participation of this population for two reasons. First, the dramatic decline in ABAWD participation occurred right after implementation of the time limit. Second, ABAWDs have relatively low employment levels and weak attachments to the labor market, thus limiting the potential effect that the economy could have had on their decision to participate in the Food Stamp Program.

There are no exact historical or current counts of ABAWDs. Clearly, however, the size of the ABAWD population on the Food Stamp Program was small prior to welfare reform and had shrunk even further by 1997 after PRWORA's time limit and work requirement and before the BBA changes to the Food Stamp E&T Program were implemented.

Characteristics of the ABAWD Population

To understand the challenges that ABAWDs face in finding work and that States face in serving this population, it is useful to obtain a picture of the group's demographics and characteristics related to employability.

When the ABAWD work requirement and time limits were enacted in 1996, a common stereotype was that ABAWDs were a group of homeless, transient single men who depended on the Food Stamp Program for long periods as their sole source of financial assistance and who needed to be encouraged and assisted in becoming self-sufficient. This portrayal of the typical ABAWD may not be accurate, as demonstrated by the following findings.

Food Stamp Program Participant Demographics

The most detailed data on the characteristics of ABAWDs in the Food Stamp Program prior to the implementation of the time limit are from an FNS-sponsored analysis of Food Stamp Program QC data for FY 1996 and longitudinal data from the Survey of Income and Program Participation (SIPP) (Stavrianos and Nixon, 1998).¹¹ The two different sources provide a fuller picture than

¹¹Food stamp QC data are part of the Integrated Quality Control System, which reviews food stamp cases on an ongoing basis to determine that households are eligible to participate and are receiving the correct benefit amount and that household participation has been correctly denied or terminated. SIPP data analyzed for this study are from the 1990 SIPP panel, which includes 26 months of longitudinal data on persons who participated in the Food Stamp Program.

either data set could provide alone. The QC data are cross-sectional and provide limited information on employment history or repeat spells on food stamps, and SIPP data are unavailable for more recent years and allow for a less precise identification of ABAWDs subject to the time limit.

The key findings of this study were as follows.

- ***Though the Majority of ABAWDs Are Men, a Large Portion Are Women.*** Fifty-eight percent of the ABAWD population are male, and 42 percent are female.
- ***ABAWDs' Ages Are Evenly Distributed Within the 18-50 Range.*** Approximately one-third are age 30 and under. Most (53 percent) are between ages 31 and 45, and 11 percent are between ages 46 to 50. The average age of an ABAWD is 34.
- ***ABAWDs Have Low Levels of Educational Attainment.*** Only 13 percent of ABAWDs have attended or graduated from college, 42 percent have less than a high school diploma, and 46 percent have a high school degree or GED.
- ***ABAWDs Have Very Low Incomes.*** More than half (57 percent) of the ABAWD population live in a household with no income, and 82 percent have an income below one-half the Federal poverty level.
- ***ABAWDs Have Low Rates of Employment.*** Data from SIPP reveal that 10-20 percent of unemployed ABAWDs found work within a 7-month time period during 1990-92. While a better economy and time-limited benefits may result in higher rates of employment during the current period, this rate of employment suggests the presence of serious barriers to work among this population.
- ***ABAWDs Are Not Long-Term Food Stamp Recipients, but Repeat Spells Lead Many To Use Up Time-Limited Months.*** In contrast to the stereotype of long-term food stamp dependency, the QC data indicate that, at the time of the data collection, 34 percent of ABAWDs had been participating in the Food Stamp Program for 3 months or less and only 29 percent were in the midst of a participation period of longer than a year. By contrast, only 18 percent of all adult food stamp participants had been in the program for 3 months or less and 49 percent of non-ABAWD food stamp adults had been participating in the program for longer than a year.

- ***However, the SIPP Data Indicate That ABAWDs Have Repeat Spells in the Food Stamp Program.*** Over a 3-year period, 70 percent of the ABAWDs participating in the Food Stamp Program would have exhausted their eligibility because they spent long periods without employment and moved in and out of the program with sufficient frequency to use up their limited months.
- ***Few ABAWDs Were Participating in Food Stamp Employment and Training.*** Only one out of eight (slightly over 12 percent) of ABAWDs in the QC sample were participating in the Food Stamp E&T Program in 1996. Of those who did participate, 51 percent were in a job search or a job-search training program—activities that do not meet the current work requirement for ABAWDs (Stavrianos and Nixon, 1998).

Employment Outcomes for ABAWDs Cut Off the Food Stamp Program

Few State or local studies have been published concerning the employment outcomes of ABAWDs under the time limit. Many State studies of individuals who have left the Food Stamp Program (“leaver” studies) are being funded by the U.S. Department of Agriculture and the U.S. Department of Health and Human Services; however, the findings from these studies are not yet published.

One published report examined ABAWDs who reached the time limit and were cut off food stamps prior to the enactment of BBA. This study, conducted in Cuyahoga County, Ohio—which includes the city of Cleveland—found that labor market participation increased among ABAWDs who were cut off the program after the time limit. Specifically, from January through March 1997, prior to being cut off food stamps, 1,423 ABAWDs, or 28 percent of the group, were working. The following quarter, after they were cut off food stamps, the number of ABAWDs working increased to 1,705 (33 percent). The average quarterly earnings for those employed increased from \$1,195 to \$1,521 in the first 3 months after the time limit went into effect and to \$1,707 by the next quarter—an income that remained below the Federal poverty level for a single-person household. While employment rates and wages modestly increased after the time limits went into effect, two-thirds of ABAWDs cut off of food stamps were not found to be working (Gallagher et al., 1998).

Data presented in the previous section on ABAWDs provide good evidence that they comprise a very small portion of the food stamp caseload and that these individuals may have serious barriers to employment. As a group, ABAWDs have a low level of education, low rates of employment after leaving the Food Stamp Program, and earn low wages when they do work. While there are no hard numbers about the extent of homelessness, mental health problems, and substance abuse among ABAWDs who are subject to the time limit, State and local food stamp officials indicate that many ABAWDs have these concerns and thus face significant additional barriers to employment.

The next section describes what is known about the success of employment and training efforts for food stamp clients through evaluations of the food stamp work demonstration projects and the national evaluation of the Food Stamp E&T Program conducted in the late 1980s. How the Food Stamp E&T Program specifically serves or affects ABAWDs has not been evaluated. The subsequent section, thus, includes information on not only the Food Stamp E&T Program, but also available information on employment outcomes of E&T programs designed to serve individuals with characteristics similar to subgroups within the ABAWD population. These include evaluations of State and local work programs for childless adults receiving General Assistance (GA), a national evaluation of the JTPA program for low-income adults, and the national Homeless Demonstration Program.

Key Findings From Studies of E&T Programs Serving Food Stamp Participants and Populations Similar to ABAWDs

The Food Stamp Employment and Training Program

Initial studies of the work registration requirements in the Food Stamp E&T Program found that many food stamp recipients were either never asked to report to State Employment Service Agencies after registering for work or did not report when asked (Evans, Friedman, and Hausman, 1976). In 1978, a General Accounting Office (GAO) study found that food stamp workers and administrators viewed work registration requirements as bureaucratic in nature and they had no expectations of helping clients find employment (GAO, 1978). These evaluation results helped create

the impetus for a more intensive effort at providing E&T services to food stamp clients.

As described in Chapter 2, in 1977, Congress mandated that USDA conduct workfare demonstration projects. In these 14 local demonstration sites, one Food Stamp Program work-registrant from each household was selected for participation in workfare. Selected individuals were required to engage in a job search for 30 days, after which they were referred to a specialized worker for assignment to a workfare position.

An evaluation of the demonstration projects found a significant decrease in food stamp receipt and an increase in employment among female participants in the program. However, the authors stated that the employment effects for women were large and positive for only one site (San Diego) and not statistically significant in any other site.

Overall, for both men and women, the average employment impact, for the first 6 months after an individual was referred to workfare, was an increase of 9 hours of work and \$38.50 in income per month. In interpreting their findings of the overall employment increases for men and women, the authors suggest that workfare participation was not likely the key factor associated with increasing food stamp recipients' income because only 20 percent of those who were referred to workfare actually worked in those positions. Noting that 80 percent of the unemployed males and 50 percent of the unemployed females referred to workfare had a recent work history, the authors hypothesize that when faced with a requirement to work at the minimum wage in a workfare job, a significant fraction of the individuals would opt to find unsubsidized employment rather than participate in workfare and food (USDA, 1987).

In 1979, the Office of Management and Budget requested that USDA conduct demonstrations using an alternative work registration and job search model. Additional models were added to the demonstration in October 1982. The seven models tested during this project included work registration, job clubs, supervised job search, applicant job search, job search training followed by job search, and job club. These services were followed by workfare for clients who did not obtain employment within a 3-week period. Evaluation of these demonstrations showed a moderate reduction in benefit receipt and an increase in income within 5-6 months after participation for both women and men.

The greatest increases in income were in the one site that provided a 3-week job club for "job-ready" work registrants followed by workfare assignment for those initially unsuccessful at finding employment. Sites that required clients to only search for a job or participate in 2- to 4-week job clubs followed by a job search showed the weakest effect on earnings (Lerman et al., 1986). The generally positive findings from these initial evaluations were a major factor in convincing Congress to mandate the development of a national Food Stamp E&T Program.

Despite the generally positive findings regarding the initial experiments with Food Stamp E&T, an evaluation of the national program in its first years of operation did not find positive employment effects. Participants in the Food Stamp E&T Program did not show increased employment or earnings in the short run compared with a randomized control group. Participants did, however, receive significantly lower food stamp benefits, which the authors attribute to sanctions and the threat of sanctions rather than through increasing the employment or employability of participants. The authors also concluded that program costs exceeded benefits for both participants and taxpayers, because clients did not show income gains and the administrative and service costs were higher than savings from reduced food stamp benefits.

Among the possible reasons for these findings was the limited nature of the services offered in the Food Stamp E&T Program. The services received were less intense than those found to be most successful in the demonstration evaluation. Specifically, of those participants who received Food Stamp E&T Program services, nearly 80 percent were involved in either an individual job search or job search training. Only 16 percent received educational services, and about 6 percent participated in a workfare or work experience program (Puma et al., 1990).

At least some States have expanded the focus of their Food Stamp E&T Program beyond job search and job search training since this evaluation took place. Data for FY 1997, the year preceding the BBA changes, indicate that about 18 percent of participants who began an E&T component were assigned to a workfare or work experience program, and total participation in education, vocational education, or JTPA was close to 6 percent. Despite this evidence of an increase in focus on work programs, the majority of participants (67.8 percent) who began a component in FY 1997 participated in job

search or job training. Chapter 4 analyzes the extent to which BBA appears to have led to a shift away from job search and job search training in FY 1998 and FY 1999.

Other E&T Programs Serving Populations Similar to the ABAWD Population

This section summarizes published studies on work programs tied to State and local GA programs. These studies are relevant for this study of the Food Stamp E&T Program because they serve individuals with characteristics similar to subgroups within the ABAWD population.

General Assistance Programs

A 1992 survey of State and local General Assistance (GA) programs that provide cash assistance to childless adults found that 16 out of 19 States providing GA to able-bodied employable adults had a work requirement (Nichols, Dunlap, and Barkan, 1992).¹² A 1993 survey of GA work programs found that the most common activities offered were job search and unpaid work experience (Nichols and Porter, 1995). Despite the fact that it was quite common to have GA programs with work requirements, there are few evaluations of work programs for GA recipients. One exception is summarized here.

The State of Illinois conducted an evaluation of its Earnfare Program, which replaced the State's cash assistance GA program, known as Transitional Assistance (TA). As part of the State's Food Stamp E&T Program, Earnfare provides a State-funded cash benefit to a participant who voluntarily agrees to work for an Earnfare employer.¹³ Participants are first required to work off their food stamp benefit; then, they can earn cash assistance by working. Originally, the cash benefit was \$154 per month. In response to initial findings from the evaluation, the benefit was increased to \$231 in January 1994. Currently, it is \$294. Cash assistance receipt is limited to 6 months in any 12-month period.¹⁴

¹²Fewer States and localities now serve the ABAWD population in their GA programs. A 1998 survey of GA programs found that the number of States with GA programs that serve the ABAWD population declined from 25 in 1989 to 13 in 1998 (Gallagher et al., 1999).

¹³The Earnfare evaluation is being discussed in this section because the cash benefit provided by the program is common to GA programs and not a typical feature of food stamp E&T components.

¹⁴An update on the Earnfare Program is provided in the Chicago case study report in Appendix B.

The Illinois evaluation found that a vast majority of former TA recipients did not volunteer for Earnfare. Even though the number of slots available was limited, the State did not usually fill all of them. This situation existed even though focus groups with former TA recipients revealed that most of them were aware of the option of participating in the program. One of the reasons cited for nonparticipation was the relatively low initial benefit and the negative attitude of many recipients toward having to work off their food stamp benefit.

When the Earnfare group was matched with a comparison group not taking part in the program, Earnfare participants were somewhat more likely to be employed 1 year after participation. Employment rates for both groups, however, were quite low: the 23 percent of the Earnfare group was employed after 1 year versus 18 percent of the comparison group. One year after the Earnfare program was implemented, those who had participated in Earnfare had slightly higher earnings than those of the comparison group for the quarter (\$386 versus \$371) (Illinois Department of Public Aid, 1994).

The Illinois findings suggest that E&T activities can have a beneficial effect for some ABAWDs, but there are real challenges to moving beyond modest increases in income and ensuring that these clients can make the transition to self-sufficiency.

The Job Training Partnership Act Program

There is considerable evidence that E&T programs can be effective at increasing earnings and decreasing reliance on public assistance receipt for adult women (Friedlander et al., 1997). This is an important finding when considering the potential benefits of the Food Stamp E&T Program for ABAWDs because, as noted earlier, more than 40 percent of ABAWDs in the Food Stamp Program in 1996 were women. Until recently, most studies of E&T programs for adult males found little or no benefit from participation.

The national evaluation of the JTPA Program, covering 1987 to 1989, is a major exception. This study is considered one of the most thorough and methodologically sound studies of E&T programs available (Friedlander et al., 1997). It examined several E&T models, including classroom training, job search assistance combined with on-the-job training (OJT), and other strategies, including work experience and job

search assistance. Assignment to JTPA was shown to increase earnings for both male and female participants by approximately \$1,000 over a 30-month period compared with a non-JTPA control group. All strategies increased earnings for men and women (Orr et al., 1996).¹⁵

The findings from the JTPA study are important because, contrary to many earlier studies, they suggest that adult males with less than a high school degree or GED can benefit from effective E&T programs. These successes were achieved despite the fact that a significant number of participants in the JTPA study did face considerable obstacles to finding employment. Over 30 percent of the men in the study did not have a high school diploma or GED, and 58 percent had worked less than 13 weeks in the prior year. Notably, the outcomes of the training program did not differ significantly based on participants' years of completed education or work experience.

The Job Training for the Homeless Demonstration Program

As just noted, the ABAWD population is characterized by low levels of educational attainment and weak attachment to the labor force. Moreover, subgroups within the ABAWD population face special challenges. Interviews by study researchers with State and local food stamp officials suggest that a significant number of ABAWDs subject to the time limit and not exempted by discretionary exemption options are homeless. This is particularly true in large cities. For example, the city and county of San Francisco reported to case study interviewers that, in June 1999, 36 percent of the participants in its comprehensive work program for adult recipients were homeless. Most of these individuals were also ABAWDs subject to the time limit and work requirements for the Food Stamp Program (HHS, 1999).

Few studies have focused specifically on assisting homeless clients with obtaining training and employment. One exception was an evaluation of the Job Training for the Homeless Demonstration Program (JTHDP), which served over 45,000 homeless individuals from September 1988 to November 1995 in 32 locally operated demonstration sites across the country (DOL, 1998).

¹⁵For men, the increase in income during the last 30 months for the job search assistance/OJT strategy was significantly greater. The authors suggest, however, that this difference likely reflects the fact that more job-ready individuals were assigned to this strategy.

DOL planned, implemented, and evaluated JTHDP under the Stewart B. McKinney Homeless Assistance Act of 1987. Approximately 63 percent of the participants were male, 58 percent were never married, 49 percent were 22-34 years old, 39 percent were 35-54 years old, and 61 percent had completed 12 years of education or more. While many had documented physical and mental disabilities, the large majority did not and, thus, could fit the characteristics of the homeless ABAWD population that are "able-bodied" and subject to the food stamp work requirement and time limit.

Each JTHDP site was required to provide the following services:

- Outreach and intake;
- Case management and counseling;
- Employment services, including assessment and employability development planning; basic skills and literacy instruction; job search assistance and job preparatory training; job counseling; vocational and occupational skills training; work experience; on-the-job training; or job development and placement services;
- Alcohol and other substance abuse assessment and counseling, with referral to outpatient or inpatient treatment when appropriate;
- Other support services, such as mental health counseling, health care services, transportation, motivational skills training, or life skills training;
- Post-placement followup support services; and
- Housing services.

At the beginning of the demonstration, a model was designed to guide the flow of participants through the program. This model relied on a traditional ordering of employment and training services, in which clients moved from outreach to intake and assessment and then to job training, and finally to job placement and retention. It soon became evident that the traditional model did not work for a significant portion of the homeless population. Although some benefited by receiving all of the services in the suggested sequence, many had reasons to move directly from intake/assessment to job search and placement. Some clients had enough skills to enter the job market immediately. Others lacked the means to support themselves while

participating in job training and requested immediate job referrals. As a result, local programs developed alternative models that were tailored to meet clients' individual needs.

JTHDP was evaluated to document a variety of factors, including client outcomes and effective programmatic approaches. Among the key findings were the following:

- **High Job Placement Rate.** The overall job placement rate was 36 percent for participants in the JTHDP. This rate grew from 33 percent in phase one of JTHDP to 43 percent by the final phase.
- **Hourly Wages Above the Minimum Wage.** The average hourly wage JTHDP participants received at placement was \$5.96. This rate increased from \$5.04 in phase one to \$6.62 during phase four.
- **Lasting Effects.** Half of all participants initially placed in jobs were still employed 13 weeks later.

Chapters 2 and 3 have provided background information to frame this research effort and perhaps elucidate why it may have been challenging for States to implement or expand effective E&T programs for ABAWDs. The rapid increase in available dollars and the nature of the target population clearly represented a challenge for any E&T program. While the characteristics of the ABAWD population reveal limited employment skills and experience, evidence particularly from the JTPA and JTHDP evaluations suggests that well-designed programs have reached groups who share some of the qualities of the ABAWD population.

Note that JTHDP and JTPA differ in some respects from the Food Stamp E&T Program. The JTHDP pro-

vided an array of more intensive support services than is usually provided for participants in the Food Stamp E&T Program. State JTPA Programs generally had a greater variety of employment and training opportunities available than the typical Food Stamp E&T Program. In addition, States had more funding per participant in JTPA. An analysis of the JTPA Program in FY 1994 found that national spending per participant was \$5,250 (Nightingale, 1997).

In contrast, the maximum monthly reimbursement that can be claimed for a food stamp E&T participant is \$175. If someone participates in a food stamp E&T activity for the full year, the most that can be claimed is \$2,100, far short of the per participant spending that was available in JTPA. In addition to differences in available resources, JTPA and JTHDP enrolled volunteers who were motivated by a desire to change their circumstances, rather than individuals who were required to participate in order to obtain public assistance. Despite these differences, the studies examined here do suggest that ABAWDs can potentially benefit from E&T programs.

The next two chapters synthesize the findings from the analysis of the data on State Food Stamp E&T Programs before and after the BBA. Chapter 4 summarizes the analysis of the State-level data, the primary level of analysis for this study. Chapter 5 provides highlights of the case study findings. The findings in these two chapters reveal how States and local offices responded to the new policy emphasis of PRWORA and BBA on developing work programs for ABAWDs, given the barriers to employment that exist for this population and the limited funding relative to other federally funded E&T programs serving similar populations.