

# ISSUE BRIEF

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## TRENDS IN FAMILY PROGRAMS AND POLICY

### Teaching Self-Sufficiency Through Home Visitation and Life Skills Education

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*This issue brief reviews key findings from Mathematica's study of the Building Nebraska Families (BNF) program, an intensive home visitation and life skills education program to prepare high-risk Temporary Assistance for Needy Families (TANF) clients in rural Nebraska to succeed in the world of work and improve their families' well-being. BNF operated in more than 10 multi-county rural service areas from 2002 to 2005. The study was part of Mathematica's Rural Welfare-to-Work (RWtW) Strategies Demonstration Evaluation, which used a random assignment experiment to rigorously assess the effectiveness of innovative programs for the rural poor. The research shows that BNF's intensive approach holds promise for very hard-to-employ TANF clients who face substantial hurdles and skill deficiencies.*

#### Helping the Very Hard-to-Employ

The 1996 welfare reform legislation that created TANF instituted strict work requirements. Yet for many clients, serious obstacles and skill deficiencies hamper their efforts to achieve stable employment and self-sufficiency. The most disadvantaged clients typically face multiple challenges, including mental and physical health problems; substance abuse; domestic violence; low cognitive functioning and learning disabilities; and unstable housing, child care, and transportation. For welfare recipients in rural areas, meeting TANF work requirements can be even more challenging because of additional economic, geographic, and social hurdles.

As a result of these work requirements—made more stringent for states by the Deficit Reduction Act of 2005—TANF and workforce agencies are trying to develop cost-effective ways to help their most disadvantaged clients—also called the “very hard-to-employ”—move from welfare to work and self-sufficiency. These efforts represent not only an important social policy concern, but also a considerable programmatic challenge—one made more difficult by the current economic recession.

#### The BNF Approach

To address the challenges hard-to-employ TANF clients faced, the Nebraska Department of Health and Human Services, in partnership with the University of Nebraska-Lincoln Extension, launched the Building Nebraska Families (BNF) program. The intensive program used a home visitation model to improve life skills and job readiness. It was offered as a supportive service, in addition to Nebraska's regular program, and complemented existing TANF employment services. Work-mandatory clients were targeted and subject to TANF work requirements, sanctions, and a two-year time limit. After clients agreed to participate in BNF, it became a mandatory activity.

BNF combined two strategies—home visitation services and life skills education—that may have value for helping low-income families more broadly. Home visiting can be a useful mode of service delivery, creating an opportunity for intensive, individualized interventions. Life skills education can help clients' manage their lives, make sound decisions, and solve problems independently—especially for those who are very disadvantaged, with multiple obstacles and limited access to specialized services. BNF's model posited that, through improved life skills and personal and family functioning, clients would not only be better equipped to address obstacles and participate in employment activities, but also would be more apt to succeed at home and in the labor market.

Through home visits, BNF provided customized life skills education, mentoring, and service coordination (Figure 1). Masters’ level educators from the university, with very small caseloads of between 12 and 18 clients, carried out the home visits. On average, clients participated in one-hour home-based sessions weekly or bi-weekly during an eight-month period. The program was designed to engage clients before and after they became employed, and they could participate for up to six months after leaving TANF.

At the heart of the BNF program was individualized, interactive instruction on basic life skills. Home visitors drew on research-based curricula to enhance life skills and family management. When possible, they linked lessons to clients’ activities to prepare for jobs and the workplace. They also mentored clients by modeling positive behavior, and coached them in how to complete practical tasks, access resources, resolve problems, and interact with agencies and employers.

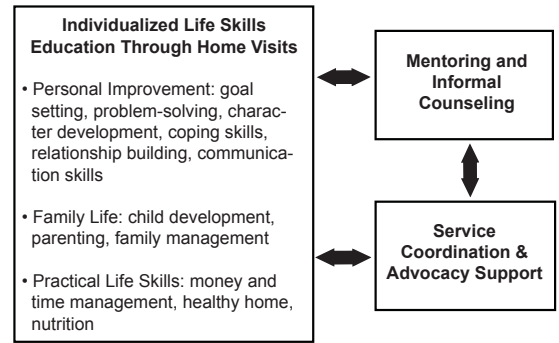
#### ABOUT THE EVALUATION

Random assignment allowed Mathematica to determine the impact BNF had on clients’ employment, earnings, welfare dependence, and well-being. More than 600 people eligible for a limited number of program slots were assigned either to a program group (offered BNF) or a control group (not offered BNF, but could access all other available services). Both groups were subject to TANF work requirements, sanctions, and a two-year time limit.

To determine BNF’s net impact, we compared the behaviors and outcomes of the program and control groups over a 30-month follow-up period, using survey and administrative records data. Given the use of random assignment, the evaluation’s key findings provide rigorous evidence of BNF’s effectiveness. We also conducted a benefit-cost study, estimating dollar values for BNF’s benefits and costs.

Importantly, we examined findings for more and less disadvantaged clients, hypothesizing that impacts would be larger for those who faced more challenges and skill deficiencies and were less “job ready.” More than two-fifths (43 percent) of sample members were “more disadvantaged” (“very hard-to-employ”) on account of meeting two or more of five risk criteria at program entry: (1) no high school diploma or GED, (2) a health condition that limited activity, (3) a transportation barrier, (4) no earnings in the prior year, and (5) lifetime TANF or AFDC receipt of two or more years.

**Figure 1: BNF: Education and Support**



### Findings in Brief

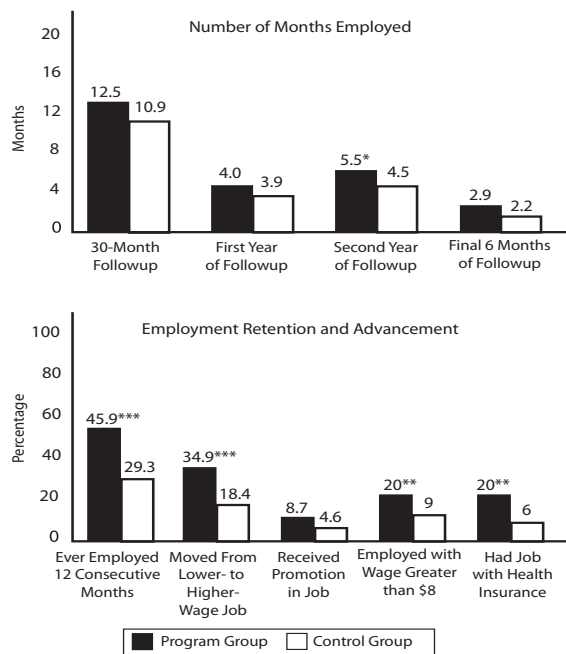
- Impacts were limited for the full sample—BNF services received by sample members translated into improved employment toward the end of the 30-month follow-up period, but there was no impact on earnings.
- Impacts were strong and significant for the very hard-to-employ. BNF was effective in increasing employment and earnings and reducing poverty for this group.
- BNF’s benefits to society did not outweigh its costs during the follow-up period, for the full sample or for the very hard-to-employ. However, if average earnings impacts for the very hard-to-employ in the last six months of the 30-month followup persist, the program would pay for itself—that is, have positive net benefits—in less than two years.

### Strong Impacts for Very Hard-to-Employ

For the full sample, impacts were limited. BNF improved employment near the end of the 30-month followup, and the program group was significantly more likely than the control group to retain and advance in their jobs. BNF significantly improved family income and reduced poverty as a result of small changes in earnings and public assistance that were not statistically significant on their own.

For the very hard-to-employ, we observed strong, significant impacts (Figures 2 and 3). These individuals worked significantly more months and hours than their control group counterparts. They were also significantly more likely to work in higher-paying jobs with better benefits, retain employment, and move to a better job.

**Figure 2: Impacts on Employment During Follow-Up Period**



Source: Rural Welfare to Work 18- and 30-month follow-up surveys of BNF sample members. Based on a sample size of 211 (128 program group members and 83 control group members).

Note: All estimates were adjusted using multivariate regression methods. The data were weighted to account for the different probability of selection to the program group across the BNF sites. Standard errors of the estimates account for sample weights.

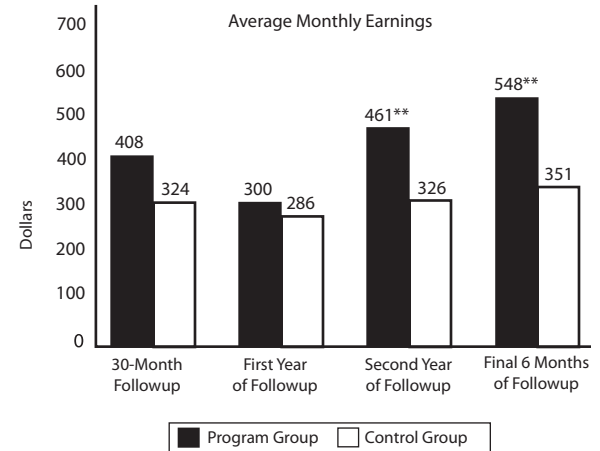
\*/\*\*/\*\* Significantly different from zero at the .10/.05/.01 level, two-tailed test.

BNF led to large, significant impacts on earnings for the very hard-to-employ, with the magnitude of the impacts growing over time. In the last six months of the 30-month followup, this group earned 56 percent more than its control group counterpart, about \$200 more per month.

The very hard-to-employ in both the program and control group had substantially higher family income and were less likely to be living in poverty at the time of the followup. The program group members were also less likely to report health-related hardships—such as poor physical health, self-reported depression, and domestic abuse—than their control group counterparts. They were also more likely to be living with their minor children and to receive more child support income. Housing and food-related hardships, however, were more common among the very hard-to-employ group compared with its control group counterpart. It is not clear what these findings

suggest, although it is possible that BNF’s emphasis on life skills helped clients address or resolve some health and personal issues, while being employed may have made it more difficult to manage other aspects of their lives.

**Figure 3: Impacts on Earnings During Follow-Up Period**



Source: See Figure 2.

### High Costs, But Cost-Effective?

Comparing the benefits and costs of BNF shows whether the program’s benefits are large enough to justify an investment of public resources. BNF’s design—which included well-qualified and well-paid home visitors who maintained small caseloads as well as the substantial resources that its university partner contributed—translated into relatively high program costs. On average, BNF cost about \$7,400 per participant overall, and about \$8,300 per participant for the very hard-to-employ.

BNF’s benefits to society did not outweigh its costs during the study. For example, services to the very hard-to-employ resulted in costs to society that exceeded benefits by close to \$5,000. The benefits that accrued to society largely reflected increased earnings for this group. By design, however, the analytic approach used yields a conservative estimate of BNF’s benefits. This is because some benefits—such as a reduction in the incidence of physical domestic abuse and an increase in the likelihood that a minor child would remain in the home—are not reflected in the estimates because there were not sufficient data to value them.

BNF’s high cost contributed to a steep threshold for cost-effectiveness. Nevertheless, despite its negative

net benefits during the 30-month followup, BNF may still be cost-effective over time if it is targeted to particularly disadvantaged and low-functioning clients. We estimated that positive net benefits would result if BNF were offered only to very hard-to-employ clients and if the average earnings impact for these clients during the last six months of the 30-month followup were to persist for 1.7 years after the followup.

## Implications for the Future

Mathematica's study has relevance for other settings, since previous research has shown that rural TANF clients in Nebraska face obstacles at similar rates to those of TANF clients in rural and urban areas nationwide. BNF's strong impacts on earnings for the very hard-to-employ will interest policymakers struggling to find effective programs for this group.

The magnitude of BNF's impacts for the very hard-to-employ compare favorably with results from studies of other successful welfare-to-work programs. Moreover, these impacts are notable given that BNF operated in an environment that was rich in offerings, in which many control group members received services outside of the program. As a result, BNF had a high standard of comparison—its impacts measure the value of BNF services on top of an already strong TANF employment program.

The findings suggest several implications for policymakers and program developers to consider:

- **Consider intensive and individualized approaches.** BNF's research-based curriculum, individualized services, relatively long contact time (both before and after employment), and use of highly qualified, masters'-level staff are important elements of the program's success with the very hard-to-employ.
- **Target programs carefully.** Because the study revealed strong impacts and encouraging benefit-cost findings for the very hard-to-employ, future efforts should target services to particularly disadvantaged

and low-functioning clients. Careful targeting is critical in today's context of scarce state-level resources for longer-term TANF services like BNF.

- **Environment may affect replication.** Although BNF was tested in rural Nebraska, it may transfer well to other rural states as well as urban areas. If the program is replicated in an urban area, greater population density may compel educators to carry somewhat larger caseloads and deliver a limited number of lessons in group settings. These adaptations could reduce costs and potentially improve BNF's cost-effectiveness.
- **Provide postemployment work supports.** The negative findings on housing- and food-related hardships for the program group may reflect higher time and resource costs associated with employment. Future efforts might focus on ensuring that clients receive available benefits and logistical supports. Moreover, future welfare-to-work evaluations could measure personal and family functioning and the costs of working.

For low-income people in rural areas, profound barriers remain to achieving sustained employment and self-sufficiency. Mathematica's study shows that BNF succeeded in helping the very hardest-to-employ overcome these barriers. The findings can help inform federal, state, and local stakeholders in designing and implementing effective programs for other settings in the future.

The evaluation was funded by the U.S. Department of Health and Human Services, Administration for Children and Families (ACF). The opinions expressed here are those of the authors and do not necessarily represent the views of ACF. For a more detailed presentation of the findings, see the full report, "Teaching Self-Sufficiency: An Impact and Benefit-Cost Analysis of a Home Visitation and Life Skills Education Program: Findings from the Rural Welfare-to-Work Strategies Demonstration Evaluation." For copies, contact Publications at (609) 275-2350 or visit our website. For more information, contact Alicia Meckstroth at (614) 505-1401 or [ameckstroth@mathematica-mpr.com](mailto:ameckstroth@mathematica-mpr.com). The Building Nebraska Families curriculum, "Survive, Strive, Thrive: Keys to Healthy Family Living," is available from the University of Nebraska-Lincoln at <http://extension.unl.edu/pubs>.

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