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Reducing Economic Dependency Among Welfare Recipients

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REDDUCING ECONOMIC DEPENDENCY AMONG WELFARE RECIPIENTS

A Review of Vocational Rehabilitation and Manpower Training Research

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ABSTRACT

The research and evaluation literature of several federal Manpower training programs and the Federal-State Vocational Rehabilitation program was reviewed to determine effectiveness in reducing economic dependency among welfare recipients. Emphasis was on the Vocational Rehabilitation program, with findings from Manpower programs used for comparison. Significant findings are summarized and implications for Manpower Administration and Social and Rehabilitation Service policy, practice and research are drawn.

This public document was promulgated at a total cost of $3,346 or $1.34 per copy, including preparation, printing and distribution, to provide rehabilitation and social service administrators and practitioners with a comprehensive review of the research and program literature on the topic area.
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HIGHLIGHTS

Public Assistance

- In 1970 the welfare budget of $14.2 billion supported 13.5 million recipients.

- The Aid to Families with Dependent Children program (AFDC) is the largest welfare program, and has the most recipients who may be termed employable. Eighty percent of adult AFDC recipients are women heads of households.

- Federal planners estimate that about 1.5 million men, women, and youth, 12% of those on the AFDC rolls, are employable.

- From 60-70% of all AFDC mothers have worked, and 15-20% are usually combining work and welfare at any given point in time.

- The average AFDC family remains on the rolls slightly under two years. The composition of the welfare rolls is not static, but constantly changing as families move on and off in response to their personal situations and labor market conditions.

- For some families, income from welfare is clearly higher than income from employment at the jobs which are open to them.

Federal Manpower Programs

- The total federal manpower budget for FY 1972 was $1.3 billion, 40% of total Federal expenditures benefiting the poor. Between 1963 and 1971, an additional $6.8 billion were spent to train over 6 million persons.

- All manpower programs enroll some welfare recipients, from almost 100% for WIN to 12% for JOBS. 25.6% of enrollees in all programs except the Neighborhood Youth Corps were welfare recipients in FY 1972. Employment rates range from 80% for MDTA on-the-job training to 30% for WIN. Employment rates for welfare recipients are not reported separately.
On-the-job training programs have the highest employment rates and are among the least expensive to operate.

An estimated 50% of potential enrollees drop out between referral and enrollment; 50% of those who enroll drop out before completion, leaving only 25% of the original pool as completors.

Drop-outs tend to have more previous labor market experience and have the ability to command higher salaries without training. They are often found employed at follow-up.

Most manpower programs train for and place in low level dead-end jobs with little security. The post-training salary for the average trainee is about $3,000 per year.

Duration of any economic gains for trainees is unclear since few long term follow-up studies have been conducted.

Vocational Rehabilitation

In FY 1972, the Vocational Rehabilitation program rehabilitated 51,084 public assistance recipients, 15.8% of all rehabilitations.

Sixty percent of the PA/VR clients rehabilitated are AFDC recipients.

Seventy percent of all PA/VR clients closed each year are closed successfully rehabilitated; the overall rehabilitation rate is 75%.

Public assistance recipients are more likely than other rehabilitants to be placed outside the competitive labor market as homemakers and in sheltered employment.

Clients who receive training enabling them to enter skilled and paraprofessional jobs experience the most reduction in economic dependency. Training as reported in Vocational Rehabilitation statistics is, for the most part, not of this type.

Slightly over half of all rehabilitants, including PA recipients, enter service and industrial occupations. In FY 1969, the average post-VR salary for all rehabilitants was $3,276, for PA/VR rehabilitants it was $2,496.

Fifty-five percent of all PA/VR rehabilitants are removed from the welfare rolls; removal rates are highest for General Assistance (71.2%), Aid to Families with Dependent Children (56%) and Aid to the Permanently and Totally Disabled (48.4%). Old Age Assistance and Aid to the Blind recipients tend to remain on the rolls.
There has been no extended follow-up nationally to determine the long-term effects of Vocational Rehabilitation services to public assistance recipients.

Public assistance clients served by Vocational Rehabilitation are more frequently male, white, and better educated than the majority of the public assistance population.
PREFACE

Early in 1973 the Social and Rehabilitation Service requested that the University of Florida Regional Rehabilitation Research Institute prepare a policy implication paper related to vocational rehabilitation services for welfare recipients. This extensive review of the literature was guided by a specific question, one of several alternatives suggested to the Division of Research Utilization, ORD, SRS by Rehabilitation Services Administration (RSA) staff for the preparation of a program-related policy paper. From the RSA questions we selected the following query as the basis for preparing the UF-RRRI’s contribution to SRS’s request for research-based papers with policy implications: “What information does the literature contain on the extent of the effect and permanency or durability of the vocational rehabilitation process in (1) reducing economic dependency on public support, and (2) maintaining and retaining some degree of self-support status?” Clearly there are many other important questions which might be studied with reference to the general topic of reducing economic dependency among disabled welfare recipients; however, this review and analysis focused upon the question posed by RSA staff.

The RRRI staff chose the reducing economic dependency question because they had been collecting and reviewing resources as background material for their future report on the “National Survey of Public Assistance Recipients Served by Vocational Rehabilitation.” Thus, we not only had a good start on the literature relevant to the question, but also expected to benefit from both the information collected from the literature search and the report generated for RSA-SRS.

The guidelines for preparing the paper were scanty. The examples used in early discussions dealt with a single question and presented one policy implication with findings from the research review which justified and amplified the implication statement.

In their timetable for producing the paper, the DRU-SRS staff
stated that the papers to be developed would be specific in focus: addressing particular bureau/office operations (policy, regulations, guidelines, legislation) concerning ongoing or projected functions/activities. Since DRU-SRS staff had responded favorably to two earlier brief policy papers prepared by UF-RRRI staff, the approach used for them (an expanded version of the earlier SRS examples) was followed, although more than one policy implication was generated. The guiding question was used to place reasonable boundaries on the search and report.

Program statistics and research and demonstration findings from the Vocational Rehabilitation program were reviewed in depth. Program statistics and research and evaluation findings from seven Department of Labor manpower programs were also reviewed and these findings were used to relate the PA/VR program to the whole national context of employment-related services for welfare recipients. The original policy implication paper was primarily written for policy makers and administrators at the federal level. The implications for policy, which are the Appendix to this monograph, will be used by them in planning programs and drafting legislation for the future. Because it was also felt that the information in that paper would be of use and interest to practitioners and administrators in the field, the policy implication paper was redrafted to produce this monograph.

We gratefully acknowledge the advice and comments of the many people who reviewed this paper for us: Mr. George Engstrom and Mr. Bert Griffis, Division of Research Utilization, SRS; Dr. Helen Nichol, SRS; Mr. Sol Richman, Ms. Miriam Stubbs and Mr. Frederick Sachs, RSA; Ms. Carol Bennett, Dr. Isabel Robinault, and Mr. Marvin Weisinger, Institute for the Crippled and Disabled; Mr. Asher Soloff, Chicago Jewish Vocational Service; Dr. Joseph Kunce, University of Missouri RRRI; and Dr. Linda Crocker, UF-RRRI. Ms. Susan Ahrenhold of the Institute for the Crippled and Disabled provided invaluable and timely assistance in locating documents for us. We also appreciate the help of Mr. Jeff Thofner, our student assistant, and the secretarial staff of the UF-RRRI, Mrs. Linda Dougherty, Mrs. Elizabeth Weldon, and Mrs. Cherry Hoff, who cheerfully prepared the manuscript in the face of many revisions. Our thanks also to Mrs. Perry Pylka, our editor.

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INTRODUCTION

Unemployment and underemployment in our society are currently the cause of both suffering for the poor and grave concern to the taxpayer. The complex of programs aimed at either income maintenance or rehabilitation to gainful employment includes not only the "welfare system," but also various manpower programs and Vocational Rehabilitation.

Recent public concern about the efficacy of any or all of these strategies for relieving economic dependency in America has spurred heated debate on both a state and national level. It is common for statistics drawn from one program or another to be cited in support of a position; however, an overview of the whole problem has been conspicuously lacking. This paper has been prepared to provide such information in order that discussion and possible reform may be carried out in the light of all available facts about the situation.

A topic such as this requires a background of information on the public assistance recipient and the welfare system to which he is attached, the political and economic environment which seeks to alter his situation, and the social, political and economic structures which have been established to achieve the goal of reduced dependency. In addition, this paper will trace the American efforts to reduce the economic dependency of its welfare population, in particular through the use of Manpower and Vocational Rehabilitation programs. For the purposes of this paper the following assumptions apply: 1) the target population is those welfare recipients who have employment potential, but are blocked by disability which is a vocational handicap, 2) employment is a feasible and logical means to the goal of reduced economic dependency, and 3) the current structure of the Federal-State Vocational Rehabilitation Program is accepted as given—recommendations for change will be compatible with the existing structure.
THE FEDERAL-STATE ASSISTANCE PROGRAM

Federal participation in public assistance (PA) programs began in 1935 in response to widespread Depression unemployment. Originally there were three PA programs: Old Age Assistance (OAA), Aid to the Blind (AB) and Aid to Dependent Children (ADC). In 1950, Aid to the Permanently and Totally Disabled (APTD) was added. These four programs were designed to assist those who could not work to support themselves, the “worthy” poor. Local areas also operate programs of General Assistance (GA) for persons in emergency situations who do not qualify for the federally-funded programs.

Today the largest PA program is AFDC (Aid to Families with Dependent Children), an expansion of the ADC program which significantly increased the scope of services and eligibility. An AFDC-UUF (unemployed father) program is operational in 25 states; here the father does not have to be incapacitated in order for his children to be eligible, but only unemployed.

The philosophy behind the PA programs has traditionally been a feeling of societal responsibility for those who are unable, through no fault of their own, to support themselves by entering the labor force. This has included provision for women who are responsible for the support of dependent children to remain in the home and keep the family unit stable.

Alarm at Rising Welfare Rolls

During the 1960's the number of people in poverty in the United States was decreasing at the rate of 4.9% each year. During the same period, the welfare rolls were swelling—from 7.5 million recipients and a $3.8 billion budget in 1960 to 13.5 million recipients and a $14.2 billion budget in 1970. The AFDC rolls have increased most drama-
tically, and contain the only welfare population with high employment potential (the other rolls contain those who are aged, blind, and disabled). In 1960 there were 3,023,000 AFDC recipients with a budget of $1,056,000,000; by 1970 there were 9,500,000 recipients receiving $4,800,000,000 in payments and services (17).

The welfare rolls were increasing during a period of decreasing overall poverty for a number of reasons. The 1960’s saw a push by interest groups to inform eligibles of their rights to welfare payments. The mid-60’s saw changes in eligibility requirements—the earnings exemption provision and addition of the unemployed fathers program—which expanded coverage.

By 1970, poverty was again on the upswing—an estimated 25.5 million Americans, 13% of the population, and 5% more than in 1969, had incomes below the federal poverty level. The recession and increased unemployment which also hit white collar professional workers added to the welfare rolls faster than any government efforts could remove recipients. About one-half of those in poverty receive some public support; the rest are members of the “working poor” (17).

Initial concern that “employables” were on the AFDC rolls focused on the stereotype AFDC recipient as an unwed, black mother supporting herself and her boyfriend by having more and more children to increase the welfare payments she fully intended to collect forever. Public outrage plus growing realization that public funds were insufficient to support welfare at such a high level, given other national priorities, led policy makers and legislators as early as 1960 to begin a long series of trial programs to return or turn AFDC recipients to employment.

The Average AFDC Family

And the problem was far from simple. The picture of the average AFDC recipient which invoked such public outrage bears little resemblance to reality. About one-half of the AFDC recipients are white; 80% of the adults are female heads of households with between two and three children per family. A family remains on AFDC slightly under two years, more than likely combining work and welfare or alternating between the two (12). The average monthly AFDC payment per family in the U.S. is $178, but the program is administered in a highly variable fashion among the states—a family with one adult and three children receives $840 per year in Mississippi and $4,164 per year in New Jersey (17). From 60-70% of all AFDC mothers
have worked (16); and 15-20% (4) are usually working and receiving welfare at any given point in time. The composition of the welfare rolls is not static, but constantly changing as families move on and off in response to crises and good times (14).

The Employment of Welfare Recipients

As we have seen, many AFDC recipients work. A six-state survey conducted by the National Center for Social Statistics (NCSS) found that 20% of those AFDC mothers interviewed were employed, and an additional 40% had worked in the past (4). Projecting these figures nationally, NCSS estimated that in March, 1971, 360,000 of 2.5 million AFDC mothers (14.4%) were employed full or part-time. Another 1971 AFDC study found that 17% of all AFDC families have nonassistance (employment) income (13). Of all AFDC cases closed in Michigan in March, 1971, 35% were closed due to employment or increased earnings (11). Nationwide, 20.3% of the AFDC cases closed from October to December, 1971, were dropped because of employment or increased earnings (6).

The poor often alternate between work and welfare. Of those cases opened in FY 1971, 35% had been opened and closed at least once before (12). A study by Greenleigh Associates in Washington State in 1964 found that 75% of all cases had been opened and closed before their current period on AFDC (14). A study of 1960 AFDC clients found that 40% had cases opened and closed prior to the most current closing (3). As cited above, one of the frequent reasons for AFDC case closure is employment or increased earnings.

Employment vs. Self-Supportability

Any discussion of reducing economic dependency of public assistance recipients confronts the hard fact that many welfare recipients do work, and still do not earn enough to be removed from the rolls. This is partially due to the income disregard rules now in effect which allow AFDC recipients to keep some of their earned income without it being applied to their welfare eligibility.

Estimates of employability vary—some not far above the actual
numbers of recipients who do work—but are consistently low when barriers to employment are considered.

Economists at the Boston College Social Welfare Research Institute (2) estimate that 33% of all AFDC mothers—(940,000 of those on the rolls in FY 1972)—are employable. Cox (5) cites studies estimating that 45-55% of all AFDC mothers are employable in terms of age, education, and work experience, but are blocked by health and child-care problems and labor market conditions. Levinson (10a) discusses the change in employment potential among AFDC women between 1961 and 1968. From an analysis of data on AFDC women from 11 U.S. cities, he found that while employment potential (as measured by educational and occupational background) increased for these women as a group, they are still severely blocked by barriers to employment. In fact, those AFDC women with the highest employment potential may experience the most serious employment barriers. Department of Labor (DOL) and Department of Health, Education and Welfare (DHEW) planners for the Work Incentive Program (WIN) recently testified before Congress (18) that all AFDC-UF fathers (133,750) and youth (20,000), and 29.7% of the 2.8 million AFDC mothers (838,097) are employable—a pool of approximately one million persons, or 11% of those on the AFDC rolls. And, of course, the figures of 60-70% for AFDC mothers who have worked at some time provide the very strictest estimate for those who are “employable.”

Self-supportability is defined by Hausman as “the ability to earn enough not to need unearned income” (20). And it is one of the paradoxes plaguing this problem that a person can work full time in America and still earn so little as to be eligible for welfare payments provided under stringent income requirements. Hausman (8) estimates that nearly two-thirds of the AFDC mothers and one-third of the AFDC-UF fathers could not have supported their families at the levels of income they could attain on welfare in 1965. The U.S. Department of Labor substantiates this assertion (20).

The University of Maryland, Department of Agriculture and Resources Economics (7.9) analyzed work and welfare payments for both urban and rural Maryland families. Usable income from welfare was defined as: PA payment (adjusted for actual shelter costs), value of food stamps above cost, and dollar value of medical assistance. Usable income from work was gross income minus federal, state, and local taxes, and transportation costs. Child-care costs were listed as costs to be subtracted, but were not included in mathematical com-
putations. They found, for both rural and urban families, that usable income is about equal from work and welfare for a family of four earning $2.00 per hour. Income for this family is clearly higher from welfare at $1.00 per hour, and clearly higher from work at $3.00 per hour. The authors conclude:

In terms of usable income received, the obvious conclusion of this study is that for some families (depending on family size, wage rates, and number of hours worked per week) it is more desirable to be on welfare than it is to be employed.

In the total Michigan AFDC caseload of July, 1971, 2.3% were working, averaging $187.16 per month (11). The 1971 AFDC study (13) found 17% of all AFDC families with nonassistance income. The monthly average was slightly over $220, in 13.7% of the cases from the mother, and in 2.8% of the cases from the father. Cox (5) states that the earnings of AFDC mothers, when employed, are much lower than the median earnings of employed women in the general population, citing a 1967 average of $135 per month.

Biederman (1) found that during FY 1967, 56.4% of the working poor were earning $1.00 or less per hour ($1900 annually, about $1100 below poverty level for a nonfarm family of four?). 29.7% were earning between $1.00 and $1.60 per hour. And while over 80% of all family heads work 50-52 weeks per year, only 40% of poor family heads work a full year.

The lowest estimate of self-supportability is that of Smith, et al. (15) who stated in 1971: “Only about 5%, at most, of welfare recipients can be helped to self-sufficiency within a reasonable length of time... a more realistic figure is 2%.”

The problem of income from work vs. welfare is highlighted both by estimates of federal agencies and recipients themselves. In New York State, an AFDC mother would have to earn approximately 60% more than her PA grant prior to employment, plus expenses incident to employment, to be totally off welfare (19). And, as Kelly (10) points out, it is possible to have the same living standard on non-taxable PA

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7 The official U.S. “poverty level” is published by the Bureau of the Census. The dollar amount always refers to a nonfarm family of four. The 1959 level of $2,973 stood until 1968, when the Bureau began revising the poverty level annually to reflect cost of living increases as measured by the Consumer Price Index. The following are the official government poverty levels for each year one has been computed: 1959—$2,973; 1960—$3,553; 1961—$3,743; 1962—$3,968; 1963—$4,197; 1964—$4,275.
as on taxable earnings. Welfare recipients were the first to recognize the double bind (18):

If you are working and earn less than $500 a month, it doesn't pay to work. (Quote from a white, female AFDC recipient in Portland, Oregon).

This woman, interviewed in 1971, is estimating that she needs $2,000 per year above poverty level wages to have a net work income that will equal her net income from welfare payments and benefits.
MANPOWER PROGRAMS FOR WELFARE RECIPIENTS

Today there is awareness and concern, frenzied activity and legislation, demonstration programs... all functioning with but one stated ambition—to help the poor. The concern is laudable although the activity might not be.

The above quote refers to the complex of government-sponsored manpower training programs. Although the record of such endeavors on the whole is not encouraging, a thorough review is in order so that we may better evaluate proposals for future plans.

Community Work and Training Program

The earliest of the manpower programs aimed specifically at welfare recipients was the Community Work and Training (CWT) Program. While signing the program into law in July of 1962, President John F. Kennedy said the system should aim at what was to become the watchword of the next decade: "...rehabilitation instead of relief and training for useful work instead of prolonged dependency..." (30). The CWT was a failure. Its philosophy of requiring AFDC fathers to work off their welfare grants resulted in 90% of the CWT funds being used for work (i.e., welfare) payments. The minimal amount left over for training and rehabilitation did not make a dent in the problem of economic dependency (29, 30, 31).

Work Experience and Training Program

Next came the Work Experience and Training Program (WETP), which operated from 1964 to 1969. About 70% of those enrolled

*One program not reported here is the DHEW Social Services Training for Public Assistance Recipients. We had no information other than a mention in the 1973 Manpower Report to the President.
received public assistance; the target group was again the unemployed AFDC father, and methods included work experience, vocational and literacy training, motivation training, day-care arrangements, and job placement. Levitan (31) estimates that the average WETP cost per trainee was $1300, with an average of about nine months needed to complete the program. Goodman (27) states that of the over 115,000 trainees who participated in the program, somewhat over 30% found employment; Bateman (22) quotes a 36% employment rate. Since the employment rate was so low, program costs were not likely to be repaid (31). For example, an SRS demonstration project in Los Angeles trained 45 AFDC mothers to be day-care center teacher aides only to find that they could not obtain employment since the jobs for which they had been trained were not available (26).

Goodman compared 955 WETP participants to 5,913 current and former AFDC recipients who had not participated in the program. He found that WETP did not eliminate total dependence on welfare, nor did it increase the number of recipients who relied solely on employment for their income. Instead, he found a “fairly considerable” increase in the frequency with which work and welfare were combined by WETP participants as compared to nonparticipants—and hypothesized that WETP seemed most effective (in terms of total independence) for those who were already relatively well-qualified for employment or employment at higher levels (27). Bateman (22) studied a larger group of WETP participants, without a comparison group, and found high rates of employment correlated with a high community level of employment, predominance of male trainees, and presence of trainees aged 30-39. Levitan (31) reports the only longitudinal study of WETP trainees—a three month follow-up of 399 trainees in nine states—which found two-thirds working, averaging $258 per month (about poverty level at that time). Although his findings offer the highest employment rate for WETP, Levitan argues that since the median duration of an AFDC case is two and a half years or less employment may simply be the natural result of the passage of time instead of the result of work training. Elsewhere, he adds that the failure of the WETP to help welfare recipients achieve self-support was “predictable and inherent in the rules and regulations governing the administration of public assistance” (30).

It is interesting to note that the 1964 legislatively stated goal for WETP of helping unemployed fathers and other needy persons to “secure or retain employment or to attain or retain capability for
self-support or personal independence" was revised in 1966 to delete the last phrase and make employment, not self-support, the primary goal (27).

**Work Incentive Program**

CWT was aimed at AFDC-UF fathers; WETP began with that focus and continued to enroll mostly men. The newest manpower training program for welfare recipients—the Work Incentive Program (WIN)—however, focuses on all employable youth and adults on the AFDC rolls. Since the majority of these are women, the focus for reducing the welfare rolls is now on the AFDC mother, although preference is still given to fathers and mothers who volunteer. The general public, legislators and government decision makers now are questioning the support of a widowed, separated, divorced or unmarried woman on public assistance simply because she is responsible for the care of school age, or younger, children.

The WIN program began in 1968. Services included training, day care, and follow-up counseling. WIN is unique among federal manpower programs in the length of time it requires a client to be working before he can be closed "successfully" (3-6 months)—and, perhaps as a consequence, has one of the lowest success rates—consistently 20% of those who begin training were "successes" (23, 28) until 1972 when the rate rose to 30% (31). Goodman (28) compares successful closures to the 1.6 million cases found eligible for WIN between August, 1968 and April, 1970, (instead of to those who actually enrolled) and finds that WIN placed only 2% of the total eligible welfare population. Program costs are high, estimated at between $5,000 to $7,000 per trainee (35).

WIN reports claim some success in reducing economic dependency. During the third quarter, 1971, almost 5,000 WIN enrollees were removed from the welfare rolls at a monthly savings of $178 per case. An additional 3,249 welfare grants were reduced, saving $113 per case per month (6). The removal figure increased for the second quarter, 1972, with 6,100 AFDC cases closed because of employment—one-fourth of which were in California (33).

The Department of Labor stated that by September, 1970, WIN had placed 27,000 people and removed over 10,000 from the welfare rolls (37), and reported elsewhere (25) that WIN-trained mothers earn $4,000 to $5,000 per year (about poverty level, or $1,000 above poverty level annually). Many, however, earn far below this, and less than
one-half of those placed by 1970 were earning enough to be removed from the rolls. The earnings exemption provision, of course, continues many on the rolls, and as DHEW states: "Unless the training program can upgrade their (WIN trainee) skills significantly, and thus raise their earning power, many of the AFDC recipients who find employment will likely stay on the rolls" (6).

By 1969, there was little doubt in anyone's mind that the WIN program was falling far short of its objectives. DOL contracted with Auerbach Associates to conduct a three-year study of the program. Preliminary Auerbach reports indicated that lack of day care, medical service, transportation, and coordination between welfare and employment agencies were hampering WIN's success (36). The final report, released in September, 1972, (21) concluded:

(1) The WIN enrollee population is representative of the total AFDC adult population, but has proportionately more men than women (28% vs. 18%). Only 4% of its enrollees are "job-ready;" the rest need extensive adjustment, training, personal and vocational counseling, remedial education, basic skill training services, before they can be placed.

(2) Post-WIN employment behavior is nearly unaffected by WIN participation. Dominant influences on long-term employability of WIN enrollees are rather: (a) initial capability, (b) involvement with low wage, unstable labor market, and (c) comparative value of work and welfare usable income.

(3) WIN does not appear to have a significant impact on the ability of WIN enrollees to hold jobs. Within 12 months after termination unsuccessful terminenees find jobs at about the same rate as successful completors.

(4) WIN participation does not result in removal from welfare rolls for most enrollees. Of WIN enrollees, 74% continue to receive AFDC grants during the 12 months following WIN participation; however, 64% of those on welfare did have welfare payments reduced because of work.

(5) WIN enrollees experience only small gains in earning capacity and continue in the low-wage labor market. Nearly 40% of all employed males and 70% of all employed females make less than $2.00 per hour in post-WIN employment.

(6) WIN is seriously deficient in upgrading employability characteristics and solving personal problems that interfere with employment. Less than 6% of WIN enrollees experience changes in educational level and basic employability: less than 20% change in skill level, job quality, and work patterns. Further, no more than 50% of WIN enrollees who have health, child-care, or
other family problems receive any help for these problems from WIN services.

By late 1972, the Department of Labor was acknowledging defeat (32):

The original WIN program enrolled over 400,000 welfare fathers, mothers and youth in a four-year period but succeeded in moving only modest numbers of them into stable employment (p. 37).

WIN II began in 1972. The revised focus is on reducing dependency by referral directly to jobs; skill training and supportive services are available pending job placement. One-third of WIN II funds must be used for on-the-job training and public service employment. A WIN father may not be referred to a job which pays him less than his welfare allowance, plus employment related expenses (32).

WIN II is mandatory for all AFDC recipients deemed eligible. This is a pool of approximately 1.5 million adults and youth over 16 but out of school, plus 300,000 estimated to volunteer. Exempt from WIN registration are: children under 16 (63.8% of AFDC caseload), mothers caring for children under 6 (12.7%), children 16 and over in school (6.2%), ill, incapacitated or aged adults (5.3%), mothers in families where father registers (1.3%), and adults too far from WIN project site or caring for ill or incapacitated household member (1.2%). It is estimated that 429,000 children are in the families with WIN participants (36).

While immediate placement is WIN II’s stated purpose, DOL estimates that only about one-third of the mandatory registrants are ready for immediate employment or training, and plans to assign only 15% of those, or 75,000 persons, directly to employment. Economists at Boston College involved in evaluating the WIN programs point out that even this level of placement may be hampered by the present state of the economy (24). Plans for the remaining 1,019,000 persons who are not ready for either employment or training are not readily discernible from DOL figures (36), although regulations require that all who are found disabled for work will be referred to Vocational Rehabilitation. The total FY 1973 program budget for WIN II is $455,133,000.
OTHER FEDERAL MANPOWER PROGRAMS

While the programs discussed above were created specifically for the welfare recipient, the government also sponsors several other programs which enroll some PA recipients among their other trainees. These, too, need to be fully examined if we are to understand the entire situation. The six most prominent of these programs are Manpower Development and Training (MDTA), Job Opportunities in the Business Sector (JOBS), Operation Mainstream, The Job Corps, Public Service Careers (PSC), and the Concentrated Employment Program (CEP). Table 1 below provides a summary of enrollee characteristics to which the reader may refer throughout the following discussion.

**TABLE 1**
SELECTED ENROLLEE CHARACTERISTICS AND EXPENDITURE FIGURES FOR EIGHT FEDERAL MANPOWER PROGRAMS*

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Enrollees FY 65-72 (000)</th>
<th>Total Federal Dollars Spent to Date FY 72 (000)</th>
<th>FY 72 Enrollees (000)</th>
<th>FY 72 % on PA</th>
<th>FY 72 Employment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDTA</td>
<td>1,284.6</td>
<td>2,290,948</td>
<td>151</td>
<td>15.0</td>
<td>53.0</td>
</tr>
<tr>
<td>Institutional MDTA</td>
<td>723.2</td>
<td>497,553</td>
<td>80.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JOBS</td>
<td>313.4</td>
<td>711,094</td>
<td>234</td>
<td>12.0</td>
<td>48.0</td>
</tr>
<tr>
<td>Mainstream</td>
<td>100.7</td>
<td>294,704</td>
<td>31</td>
<td>24.0</td>
<td>reported</td>
</tr>
<tr>
<td>CEP</td>
<td>468.5</td>
<td>820,055</td>
<td>69</td>
<td>14.0</td>
<td>45.0</td>
</tr>
<tr>
<td>Job Corps</td>
<td>141.4</td>
<td>535,154</td>
<td>49</td>
<td>39.0</td>
<td>72.0</td>
</tr>
<tr>
<td>PSC</td>
<td>125.9</td>
<td>280,893</td>
<td>65</td>
<td>33.0</td>
<td>38.0</td>
</tr>
<tr>
<td>WIN</td>
<td>406.1</td>
<td>427,470</td>
<td>121</td>
<td>99.9</td>
<td>80.0</td>
</tr>
</tbody>
</table>

*Figures from Manpower Report to the President, 1973 (32).
**Phased out in FY 1970, except for National Contracts as in JOBS program.
Manpower Development and Training (MDTA)

MDTA is the oldest, largest, and most frequently evaluated of the manpower programs in operation today. When it began in 1962, training was largely limited to unemployed family heads with three years experience in the labor market—the worker displaced by technological change (45). In 1966, program objectives were revised to require that 65% of program participants be disadvantaged (49). PA recipients have never, however, been a major proportion of MDTA trainees. The highest level of PA recipients enrolled in a given year was 15% in FY 1972. There have been 1,284,000 persons enrolled in MDTA institutional training, and 723,200 in MDTA on-the-job training (OJT) to date, with total federal expenditures nearing $2.8 billion (32). In 1968 the average cost of MDTA institutional training was estimated at $1,300 per person, and $435 per person for OJT (99). MDTA-OJT has the highest placement rate of any federal manpower program—80%; institutional training places 53% of its enrollees (32). MDTA-OJT ended as a separate program in FY 1970; OJT training under national contracts continues under the JOBS program.

Evaluation studies report high employment rates and increases in both time employed and earnings level, although not usually to salaries above the poverty level. The average posttraining income of the successful MDTA graduate as reported both by private evaluators and the federal government is consistently about $3,000 (40, 41). Men are more successful in institutional training, women in OJT (although they are never as successful in training programs and employment as men). MDTA impact decreases as the trainees' educational level increases (40).

Kunce and Cope (44) report on the first MDTA program initiated in Norfolk, Virginia which served 100 blacks. Employment rates for the 90 program completors were: 4 month follow-up—56% employed; 8 month follow-up—87% employed; 12 month follow-up—99% of the completors had found employment during the year and 89% were still employed. (The passage of time would seem to compete with training as an impetus to employment).

Trooboff (52) surveyed 1,062 graduates and 441 dropouts who had entered 24 different MDTA skill training programs from 1963 to 1966. He found graduates employed 86% of the time after training, and dropouts employed 87% of the time. Graduates experienced a 79% increase in earnings (to $1.76 per hour), while earnings for dropouts increased only 26% (to $1.51 per hour). Neither group, even if employed full-time, would have incomes above the poverty level.
Trooboff also traces the history of the 599,389 persons who enrolled in MDTA from August, 1962, to December, 1966. Of this group, 337,240 (56.2%) completed the program, and 261,222 became employed. Depending on choice of statistics, the employment rate therefore becomes either 77.4% of the completors, or 43.6% of enrollees.

Solomon (52) contacted 569 (69%) of 825 MDTA graduates he attempted to follow-up after an unspecified time period. He found 80% employed, mostly those between the ages of 22 and 45. More males than females had jobs; median earnings were $2.67 per hour for the men and $2.12 per hour for the women.

In 1971, Barnes, et al. (38) followed up a national random sample of 5,169 MDTA graduates trained in 1969. He found gains in median annual income of $1,876 for institutional trainees and $1,614 for OJT trainees, with the disadvantaged gaining more than twice as much as the nondisadvantaged. However, posttraining median annual incomes were found to be $3,473 for institutional trainees, and $3,649 for OJT trainees—still within the poverty range ($4,137 for a nonfarm family of four in 1971).

Gurin (43) studied 6,000 trainees in a nationwide sample of over 300 MDTA classes. His findings led him to conclude that training had a greater impact on employment level than on wage rate.

Prescott, Tash, and Usdane (48) report a study of 4,024 persons who were AFDC recipients when entering MDTA training in FY 1968 and who subsequently completed the program. These successful MDTA-AFDC completors were unlike the total AFDC adult population in that more were men with more education who more frequently had dependents, and each woman enrolled had adequate child-care arrangements. Training was most successful in securing future employment for: (1) men, and (2) those with at least a high school education. The training did significantly increase employment and hourly earning rates for completors, but did not succeed in raising their annual incomes above the poverty level. The authors concluded that employment for a group such as this—(we would add, the most employable of the AFDC recipient population)—results in reduced economic dependency only.

It should be noted that, except for one study dealing with AFDC recipients in MDTA training, these studies report on MDTA trainees who are not at all like the typical welfare recipient in terms of education, employment history, or barriers to employment faced. In fact, most are not PA recipients. Sewell (49) has pointed out that the majority of evaluations of the MDTA program, especially the
benefit/cost studies, were done in the early 60's—before the focus was changed from the experienced worker displaced by technological change to the disadvantaged worker. He believes much of the success reported in those evaluations results from MDTA selection of the "cream" of the unemployed, and that evaluation results will be much different as the hard-core disadvantaged become the major client group. Enough information is available even now to reason that if MDTA training cannot result in economic independence for trainees who clearly surpass the average AFDC recipient, in employment-related characteristics, it can have no better results with the PA client.

Job Opportunities in the Business Sector (JOBS)

JOBS began in 1967 as a joint effort between the federal Department of Labor and the private sector National Alliance of Businessmen (NAB). Its procedure is on-the-job training supplemented by remedial education, personal counseling, day care services, and "upgrade" training. Only 12% of JOBS enrollees were on PA in FY 1972. To date JOBS has enrolled 313,400 persons and received federal obligations of $711,094,000 (32).

As an effort at evaluation, DOL drew a random sample of the Social Security records of 12,000 JOBS employees and compared their earnings for the years 1966 and 1968 (73). Mean earnings were found to increase from $1,499 to $2,592, statistically a 73% increase, but hardly evidence of employment at much of a skill level, or of a living wage.

For FY 1972, DOL and NAB report a retention rate of 48% of those who are placed. This is similar to the 47% retention rate (of 494,000 trainees placed) claimed by the program as of June, 1970. Unfortunately, the General Accounting Office reviewed these figures and pronounced them unreliable and most probably inflated (40).

Operation Mainstream

Operation Mainstream is a work experience program designed to employ "poor, chronically unemployed adults" who are ineligible for other training opportunities. The focus is on older workers and rural areas, and the method is placement in publicly-funded employment. Mainstream differs from the other manpower programs in that it was
not designed to be a training program of a specific time duration—the enrollee was to be allowed to continue in the program until he was in a better position to get an outside job than when he started. Mainstream is therefore essentially terminal public employment. It enrolled 100,700 persons since its inception in FY 1967; and spent $294,704,000 through FY 1972. Of Mainstream enrollees, 24% are on PA. The Manpower Report of the President does not report an employment rate. This is understandable since Mainstream is primarily terminal employment; its primary impact on enrollees is to enable them to meet their immediate economic and other needs by augmenting meager incomes. Many enrollees are assigned to low skill jobs to begin with, and even those who pick up construction, clerical or paraprofessional skills are usually not able to find outside employment because of labor market conditions. Few enrollees leave the program to take a job (39).

Job Corps

The Job Corps has the highest percentage of PA enrollees in this group of manpower programs—39% in FY 1972, and reported a 72% (32) employment rate of that year’s enrollees (second only to MDTA-OJT training). Created under the Economic Opportunity Act of 1964, the Job Corps attempts to provide underprivileged youths ages 16 to 21 with work, education, and vocational education outside their home environments. In 1967, the annual cost per enrollee was $8,077 (51).

The DOL employment rate of 72% is not elaborated on in the Manpower Report, other than that it covers both completors and drop-outs. Other information sources, unfortunately, cast doubt on the accuracy or actual meaning of this DOL statistic. Kunce (44) reports Levitan's attempt to evaluate the Job Corps in the mid 60's. Levitan found much information lacking or biased, but was able to conclude that enrollees who stayed in the program six months or longer were better adjusted occupationally than those who dropped out before that time—the former have a 70% employment rate, the latter, 30%. Louis Harris and Associates also conducted a Job Corps evaluation study—an 18 month follow-up of youth leaving Job Corps centers around August, 1966. Harris concluded that 70% of the enrollees he followed were either “working, in the military, or in school.” Such a broad activity category is meaningless for any analysis of program effectiveness.
Public Service Careers

The Public Service Careers (PSC) Program has several subprograms all aimed at finding steady jobs in preprofessional or paraprofessional service fields for poor and unemployed persons at least 18 years of age. Twenty percent of its enrollees were PA recipients in FY 72. 125,900 persons have been enrolled since 1967, and total Federal expenditures now total $280,893,000. The FY 72 employment rate was 38% (32).

One segment of the PSC is New Careers, a program to begin disadvantaged persons on a career ladder to paraprofessional employment. New York City reports excellent success with its New Careers program and sees it as "enormously cost-effective." For example, 65% of each class (about 475 students per year) were receiving welfare when they first began the program and 90% of the first year graduates were employed earning $3.00 per hour to $8,000 per year. The average annual income for an NYC enrollee was $1,285 in the year prior to enrollment, and $4,320 in the year following graduation. NYC program evaluators estimate that the total earnings of graduates and terminees equal federal costs for the program within two years after termination (53).

The New Careers program offers an example of training plus work experience toward not just placement but placement in a decent job which commands a living wage.

Concentrated Employment Program (CEP)

The CEP began in 1967 as an attempt to combine individual manpower programs into a consolidated service system. Its efforts are concentrated on urban slum neighborhoods and impoverished rural areas and it is usually sponsored by a local Community Action Program, with the main objective of employment or better employment for the residents of its target area. CEP has enrolled 468,500 persons since FY 1968. Federal expenditures totalled $820,055,000 through FY 1972. Fourteen percent of all FY 1972 CEP enrollees were PA recipients; the FY 1972 employment rate was 45% (32).

In 1972, the Nevada Employment Security Department evaluated the Las Vegas, Nevada CEP (47) and found a 44% placement rate in permanent employment. Their evaluation went deeper, however, into the types of jobs and salary levels trainees received, and the
authors concluded that they really did not know that much about the success of the program. The final analysis was based on the fact that close to 75% of those clients who had employment were in service occupations (51% of the Las Vegas work force is in that category); and earning $1,000 per year less than the average service occupation worker during this time. Compounding these findings was the fact that the year analyzed was a very prosperous employment market for Las Vegas. In summing up, the authors found that this particular CEP functioned like a simple labor exchange and did not succeed in providing clients with the requirements necessary to command more than a poverty level wage. ($2,000 per year was the average annual income for placed trainees).

This was one of the most useful evaluations of a manpower program found since it looked behind simple data collection and generation of percentages to what was actually happening to the trainee.

**Summary of Findings From Manpower Programs**

1. The total manpower budget for FY 1972 was $1.3 billion, 4% of total federal expenditures for programs (Social Security, Public Assistance, Medicare, Medicaid, Food Stamps, etc.) benefiting the poor. Between 1963 and 1971, an additional $6.8 billion were spent to train over 6 million people. Of the total $8.1 billion spent through FY 1972, $179.4 million went for evaluation, research and development of manpower programs by DOL, HEW, GAO, and OEO.

2. All manpower programs enroll some welfare recipients—from almost 100% for WIN to 12% for JOBS. Employment rates range from 80% for MDTA on-the-job training to 20% for WIN. WIN is notable for enrolling the most welfare recipients and having the lowest employment rate. A major problem in analyzing programs with regard to welfare recipients is that data for them are not reported separately—if it is available separately for each program it has not been widely disseminated.

3. Most manpower training programs are conducted without benefit of a built-in evaluation component. Evaluation studies contracted for ex post facto must make use of whatever data happened to have been collected during the course of service. The expense of a longitudinal study has severely limited the follow-up period of most evaluations; few follow the client for more than one year. And, while it is common practice to assume that the observed benefits will hold
in future years, "it is the rare program whose benefits are so apparent that such projects (longitudinal follow-ups) are unnecessary" (40, p. 211).

4. On-the-job training programs have the highest employment rates and are among the least expensive to operate.

5. Employment rates are generally reported for program completors. However, an estimated 50% of potential enrollees drop out between referral and enrollment; 50% of those remaining drop out before completion, leaving only 25% of the original pool as completors. Employment rates computed against referrals (excluding those rejected by the program) are much lower.

6. Dropouts tend to have more previous labor market experience and have the ability to command higher salaries without training. They are often found employed at follow-up. The reasons for dropping out are largely unknown, but it can be hypothesized that dropouts realize they can do as well in terms of employment on their own.

7. In FY 1972, 962,000 persons enrolled in manpower training programs (these figures exclude Neighborhood Youth Corps enrollees). Of these, 246,595 or 25.6% were PA recipients. These 246,595 PA recipients represent 16.4% of the 1.5 million AFDC recipients estimated to be employable by WIN programmers. Were they all placed in the competitive labor market in secure jobs paying wages above the poverty level, even 16% would be a sizeable dent in the AFDC rolls. However, almost 25% will drop out between acceptance and completion, fewer still will become employed, and even fewer will earn at a living wage. In addition, those who are enrolled are usually "selected" from the most educated and job skilled, and are less likely to be handicapped by child care responsibilities than the average AFDC recipient.

8. Training programs result in some reduction in economic dependency for trainees, but do not succeed in making them completely financially independent.
   a) The posttraining salary for the average trainee from all programs is about $3,000 per year, which is below poverty level.
   b) Most manpower programs train for and place in low-level, dead-end jobs with low pay and little security.
   c) The exception to the comment on training program effectiveness is the Public Service Careers Program which trains specifically for entrance-level jobs in paraprofessional fields and has much more success than other DOL programs with its clients.
in terms of economic independence, helping a majority of its clients attain economic self-sufficiency.

**Implications for Welfare Recipients**

1. The effect of manpower training is especially hard to assess for PA recipients since they are known to alternate between work and welfare in response to personal and labor market conditions. Employment after training may be more a result of events or opportunities other than manpower training.

2. Programs which seek to place PA recipients in low-paying, dead-end jobs with little employment security—and most manpower programs train or place in this area a good deal of the time—may simply perpetuate the PA recipient's work-welfare cycle and feelings of incompetence and failure.

3. The inability of present manpower programs to train for other than low-paying, dead-end jobs implies, in one interpretation, the need for public employment for the many clients who cannot be upgraded enough to enter secure jobs paying them a living wage. The alternative is to accept the fact that such clients will otherwise continue to need financial support from the government.

4. Manpower programs may be hampered in their training and placement efforts by barriers to the primary sector labor market which are impervious to programmed change of skills and work habits, such as union requirements, nonrelevant physical capacities, apprenticeship requirements, etc. Such external barriers need to be explored to determine the extent to which they do block PA recipients from the more lucrative, in-demand skilled jobs, and the extent to which they can be circumvented by skilled advocacy.

5. Manpower programs may succeed in reducing economic dependence for PA recipients as a result of some increase in hourly rate, and an increase in the actual amount of time employed, but will not make a high proportion of them totally independent of governmental financial support.
VOCATIONAL REHABILITATION AND THE WELFARE RECIPIENT

The Federal-State Vocational Rehabilitation program serves physically, mentally, or behaviorally handicapped individuals who meet three eligibility criteria: 1) There is a medically certified disability, 2) which is a handicap to employment, and 3) there is a reasonable expectation that VR services will render the individual fit to engage in gainful employment, and a reasonable expectation that he will do so. Clients must meet financial eligibility requirements for some services, such as physical restoration; but others such as evaluation and training can be provided without regard to strict financial need. The VR program is structured to enable counselors to provide or purchase almost any needed service—evaluation, physical restoration, prosthetic appliances, training, maintenance payments, child care, counseling, job placement—to complete the rehabilitation plan which is prepared individually for each client. The goal for each client is employment, which includes not only employment in the competitive labor market, but sheltered employment and homemaking as well. A case is closed "successfully" only when the client's rehabilitation plan is completed and he has been employed for 30 days.

The VR program began in the 1920's purely as a restoration program for the physically disabled. Through the years, qualifying disabling conditions have been expanded to include mental retardation, mental illness, and most recently, behavioral disorders—disabilities characterized by a pattern of deviant social behavior or impaired ability to carry out normal relationships with family and community which may result from vocational, educational, cultural, social, environmental or other factors.

VR has always served public assistance recipients, but never those without a physical or mental disability. Although Section 15 of the
1968 Amendments provides for work evaluation and work adjustment services to disadvantaged clients, it has never been funded. The provision of vocational rehabilitation services to public assistance recipients (PA/VR) is now an HEW department priority and as such is receiving increasing program, research and evaluation attention.

**PA/VR Program Statistics**

Each year VR rehabilitates more people and more public assistance recipients. During the 1960's PA rehabilitants were decreasing as a percentage of total rehabilitations (14.6% in 1961, 10.3% in 1969), but increased in raw numbers from 13,528 in 1961 to 24,475 in 1969 (71, 75). By 1972, PA rehabilitations stood at 51,084 for the year and were 15.7% of all rehabilitations.

VR serves all classes of PA recipients: AFDC, APTD, OAA, AB and GA. However, fully 60% of those rehabilitated each year are AFDC recipients at acceptance.

As with the WIN program, many PA recipients are lost to the VR system between referral and acceptance. The dropout rate is estimated at between 45-50% (64), which is similar to the 45% dropout rate for all VR referrals (65). Dishart (65) tabulated the primary reason for nonacceptance in 39,735 (23.1%) of the 171,735 cases referred to VR agencies in FY 1964 but not accepted for services. Forty percent fell into the following categories: refused to accept services (13.4%); did not respond to communications or appear for appointments (19.9%); could not be located or contacted (6.8%). Dishart discusses factors which may account for these categories of nonacceptance, including level of reading difficulty of communications, and concludes that although we do not really know if some of these referrals should have been accepted for service, "...some of the reasons for their nonacceptance seem very questionable and call for close examination" (65, p. 9). It is noteworthy that welfare agency referrals were the second largest group in the nonacceptance category at 18.8%. The highest nonacceptance rate—21.5%—was for Bureau of Old Age and Survivors Insurance referrals; third highest nonacceptance rate was 9.2%, for hospitals and sanitoria.

Dishart adds that many additional referrals were probably not

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*Part of the increase between the 1960's and the 1970's is because of a change in reporting which started in FY 1970. Prior to FY 1970 only those persons who were receiving PA at acceptance were considered PA/VR clients. Now a PA/VR client is one who receives PA at anytime during the VR process.
accepted in the informal prescreening process which takes place in
the VR service system. Counselors, in preliminary meetings with
clients, may screen out "hard" cases which therefore are never
recorded as referrals or applicants. He recommends: 1) studies of
those clients not accepted for refusing VR services, not responding to
communications or keeping appointments, and not being locatable; 2)
follow-up studies of unaccepted clients to determine if their needs
are met elsewhere, etc., and 3) agency provision of time, recognition,
and credit to counselors for good evaluation at referral, including
insurance that counselors will not be penalized for accepting "hard"
cases they truly believe they can help. The implications of such
closures and the characteristics of clients in these categories are
highlighted by current VR programs statistics. In FY 1970, 461,126
persons (56% of all new referrals) were not accepted for VR services.
Assuming the same nonacceptance rate for FY 1972, 552,120 persons
(56% of the 985,929 new referrals received by VR agencies for that
year) were not accepted for VR services. We do not know how many
of these over one-half million people were public assistance
recipients or potentially headed for the welfare rolls.

Vocational Rehabilitation Outcomes

The VR program consistently rehabilitates about 75% of all clients
whose cases are closed each fiscal year. In FY 1969, the overall
rehabilitation rate was 76.7%; for PA recipients closed the same year
it was 68.4% (76). However, PA recipients are more likely than other
rehabilitants to be placed outside the competitive labor market—as
homemakers (21.9% vs. 13.2%), and in sheltered employment (2.3% vs.
1.4%). Of all FY 1969 PA rehabilitants, 71.9% were placed in competi-
tive employment as compared to 83% of all other rehabilitants (76).
Kunce, et. al. (72) reports on a seven state study of 19,572 VR
rehabilitants, 14% of whom were on PA at acceptance. Only 48% of
the PA clients were placed in competitive employment, as compared
to 64% of the non-PA clients. Rehabilitation rates reported by the VR
program are not, therefore, strictly comparable to manpower
program employment statistics since VR has the option to place out-
side the competitive labor market and still meet program goals.

VR rehabilitants tend to enter low-status, low-paying jobs (see
Table 2). Slightly over 50% of both PA/VR and other rehabilitants
entered service and industrial occupations in FY 1969. The FY 1969
mean weekly salary of all rehabilitants was $63 per week ($3,276 per
TABLE 2

OCCUPATION AT CLOSURE FOR FY 1969 SUCCESSFUL REHABILITANTS OF THE FEDERAL-STATE VOCATIONAL REHABILITATION PROGRAM

<table>
<thead>
<tr>
<th>Occupation</th>
<th>PA Recipients</th>
<th>All Other Rehabilitants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Professional, Technical, Managerial*</td>
<td>5.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Clerical</td>
<td>9.4</td>
<td>11.9</td>
</tr>
<tr>
<td>Sales</td>
<td>3.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Service</td>
<td>25.0</td>
<td>22.8</td>
</tr>
<tr>
<td>Agriculture</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Industrial</td>
<td>26.3</td>
<td>30.9</td>
</tr>
<tr>
<td>Skilled</td>
<td>7.4</td>
<td>8.3</td>
</tr>
<tr>
<td>Semiskilled</td>
<td>3.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Unskilled</td>
<td>15.7</td>
<td>18.5</td>
</tr>
<tr>
<td>Homemaker</td>
<td>21.9</td>
<td>13.3</td>
</tr>
<tr>
<td>Unpaid Family Worker</td>
<td>2.8</td>
<td>2.2</td>
</tr>
<tr>
<td>Sheltered Employment</td>
<td>2.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

*This category is coded from the 1965 edition of the Dictionary of Occupational Titles. It includes not only occupations usually thought of as professional—nurses, physicians, etc.—but many which are often considered paraprofessional—occupational therapy aide, dietary aide, licensed practical nurse. It should be noted that nurses’ aides and physical therapy aides are coded in the service occupations.

year before taxes and employment-related expenses; about $450 below poverty level). For PA/VR rehabilitants it was less, $48 per week or $2,496 per year, $1,250 below poverty level. This represents a sizeable increase in weekly earnings for each group between acceptance and closure—$45 per week for PA/VR rehabilitants, $49 per week for all others (76), but does not indicate rehabilitation into earnings above the poverty level.

Nonetheless, 55% of all PA recipients who were rehabilitated in FY 1969 left the welfare rolls. Removal rates were highest for GA (71.2%), with AFDC at 56.0% and APTD at 48.4%. OAA and AB rehabilitants tend to remain on the welfare rolls (76).

Since VR program statistics reflect status after 30 days in employment, they can tell us little about the long-term reduction of economic dependency. We do know that in FY 1969, 10% of all PA/VR rehabilitants had been previously rehabilitated—the return rate was 9% of other rehabilitants (76).

SRS staff cite large economic gains achieved by the PA/VR
program. For FY 1973, they estimate that PA/VR efforts will result in an $8.1 million reduction in PA program cost (62). FY 1969 figures presented to the Congress indicated that VR services had effected a $17 million reduction in PA payments that year. This reduction was added to the $53 million increase in earnings experienced by that year's PA/VR rehabilitants to total a $70 million first year yield. VR costs for achieving this yield were estimated at about $34 million dollars (35). In February, 1972, HEW Secretary Elliot Richardson exemplified for the Congress the economic gains which might be achieved by the PA/VR program. He cited a disabled family head with three dependents who might collect between $30,000 and $100,000 in PA payments during his lifetime. This same person, employed and earning $8,000 a year, would repay $42,000 in taxes during his working years (54).

Whatever the economic gains may turn out to be when figured on $8,000 per year average earnings per rehabilitant, it remains a fact that this salary level is seldom attained. Most PA recipients are rehabilitated into low-status, low-paying jobs with little financial security and slightly more than half of all remain on the PA rolls after completing a plan of VR services.

Demographically, PA/VR rehabilitants are 54% female, 32% black, 32% separated or divorced. About two-thirds have dependents, averaging 3.6 per family. Only 26% have education beyond high school; the median number of grades completed is 9.6. The bulk of PA/VR rehabilitants are between 25 and 44 years old; the average age at acceptance is 37. However, compared to all AFDC recipients, PA/VR rehabilitants are more often: male, white, and married. PA/VR rehabilitants are older than the average AFDC recipient (average age for AFDC mothers is 30.7 years old; for fathers, 35.0 years old). PA females have the highest rehabilitation rates.

PA clients received the same array of services as other FY 1969 rehabilitants at a slightly lower average cost per rehabilitant. Expenditures for PA/VR clients average lower in all service categories than for other rehabilitants (see Table 3).

Average cost figures differ depending on whether administrative costs are included. FY 1972 estimates presented to the Congress by SRS Washington staff were $2,293 in total costs for rehabilitating a PA recipient, which is about the same amount needed to rehabilitate other types of clients (35).

Training was provided for 36% of both PA/VR and other rehabilitants in FY 1969 (77). In FY 1970, the percentage of all clients receiving
TABLE 3
MEAN CASE SERVICE COST FOR PA/VR AND ALL OTHER REHABILITANTS OF THE FEDERAL-STATE VOCATIONAL REHABILITATION PROGRAM IN FY 1969

<table>
<thead>
<tr>
<th>Service</th>
<th>Rehabilitants PA/VR</th>
<th>All Other Rehabilitants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Diagnostic</td>
<td>95</td>
<td>90</td>
</tr>
<tr>
<td>Restoration</td>
<td>371</td>
<td>456</td>
</tr>
<tr>
<td>Training</td>
<td>638</td>
<td>722</td>
</tr>
<tr>
<td>Maintenance</td>
<td>316</td>
<td>464</td>
</tr>
<tr>
<td>Training Allowances</td>
<td>275</td>
<td>311</td>
</tr>
<tr>
<td>Other</td>
<td>311</td>
<td>331</td>
</tr>
<tr>
<td>Mean Total Case Service Cost</td>
<td>630</td>
<td>670</td>
</tr>
</tbody>
</table>

Training had risen to 47.5% (76), but we do not have a breakdown for the PA/VR rehabilitant. We do know, however, that one-half of the training received by rehabilitants was personal adjustment training. Only 11.4% of all rehabilitants received vocational training and 6.8% received on-the-job training. Many clients probably receive adjustment training in combination with another type, but program statistics do not report the overlap.

Research and Demonstration Projects

VR program statistics are a way of looking at program product. Research, demonstration and evaluation findings may give us an insight into program capabilities.

Selected SRS research and demonstration projects aimed at the PA recipient are reviewed below. The focus is on findings regarding reduction of economic dependence.

Demonstration Projects in State VR Agencies

In the mid-1950's, SRS funded 27 selected demonstrations to develop and improve methods for rehabilitating the PA recipient and decreasing his economic dependence on the welfare system.

Grigg (68) evaluated fourteen of these projects. He found wide variation in the type and number of PA recipients served. Massachusetts served 150 clients, while Washington, D.C. served nearly
2,000; Iowa served only new AFDC applicants while West Virginia considered new referrals and open cases in all PA categories. For the most part, however, services were provided according to the traditional VR model.

The acceptance rate for the fourteen projects reviewed was 56%. The largest PA category at both referral and acceptance was AFDC (see Table 4).

**TABLE 4**

<table>
<thead>
<tr>
<th>TYPE OF PA RECEIVED AT REFERRAL AND ACCEPTANCE BY CLIENTS OF 14 SRS PA/VR DEMONSTRATION PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB, OAA, or AFDC</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>At Referral</td>
</tr>
<tr>
<td>At Acceptance</td>
</tr>
</tbody>
</table>

In these projects 2,786 clients were accepted for service and the records of 2,614 were reviewed. Considering only those cases closed during the three-year duration of the projects, 56% were closed rehabilitated. Rehabilitation rates were higher for females, whites, and AFDC recipients. White females had the highest rehabilitation rates regardless of age or education level. Members of other groups, however, did better if they were younger and had more education. Rehabilitants gained $46 per week in salary income, and had monthly PA payments reduced by $48.

The Grigg study for the most part repeats the findings of national statistics on the PA aspect of the VR program. It supports one unusual finding, which also characterizes the national PA/VR program—that female recipients have the highest rehabilitation rates. Manpower programs have traditionally had the poorest success with females, who command lower salaries and are severely handicapped by home and child care responsibilities. To accurately assess Grigg's summary findings we would need to know how many of the women were rehabilitated as homemakers and unpaid family workers, and what salaries those in the competitive labor market were commanding at closure.
Residents of Low-Income Housing Projects

In the late 60's, SRS conducted a series of demonstration projects serving residents of several low-income housing projects. Spencer (81) reviewed three of these, comparing types of services rendered and employment outcomes. He found that unless clients are trained or retrained specifically for jobs above the low-wage labor market, their cases may read "closed successfully" but they will not reach any significant degree of economic independence.

The three projects reviewed were conducted in St. Louis, Missouri; New Haven, Connecticut; and Pittsburg, California. Between 52% and 56% of the families in all three locations were receiving public assistance, primarily AFDC. The St. Louis project was conducted by the VR agency; the New Haven project by the local Community Action Program; and the Pittsburg project by the Community Planning Agency. Findings are summarized in Table 5.

St. Louis accepted the least of its referrals (36%) and rehabilitated the most of its acceptances (65.9%). However, the majority of its rehabilitants were placed in unskilled jobs, 87.9% were earning under $275 per month ($3,300/year), and 64.5% remained on public assistance. Pittsburg, on the other hand, accepted 81% of its referrals, rehabilitated 44.4% of its acceptances, succeeded in placing 96.4% of its rehabilitants in skilled or semiskilled jobs, 85.7% of its clients were earning over $275 per month ($3,300/year), and 31.7% remained on public assistance.

### TABLE 5

<table>
<thead>
<tr>
<th>Client Outcomes</th>
<th>St. Louis</th>
<th>New Haven</th>
<th>Pittsburg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referrals Accepted</td>
<td>36.0</td>
<td>68.0</td>
<td>81.0</td>
</tr>
<tr>
<td>Rehabilitation Rate</td>
<td>65.9</td>
<td>53.0</td>
<td>44.4</td>
</tr>
<tr>
<td>Job Skill</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled or Semiskilled</td>
<td>49.5</td>
<td>74.3</td>
<td>96.4</td>
</tr>
<tr>
<td>Unskilled</td>
<td>50.5</td>
<td>25.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Monthly Client Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $275</td>
<td>87.9</td>
<td>57.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Over $275</td>
<td>12.1</td>
<td>42.9</td>
<td>85.7</td>
</tr>
<tr>
<td>PA at Closure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>64.5</td>
<td>47.0</td>
<td>31.7</td>
</tr>
<tr>
<td>No</td>
<td>35.5</td>
<td>53.0</td>
<td>68.3</td>
</tr>
</tbody>
</table>
them in skilled, often paraprofessional jobs paying over $275 per month, and had only 31.7% remaining on the public assistance rolls.

The St. Louis Project, run by the state Division of Vocational Rehabilitation, used the traditional VR approach to service and had outcomes similar to those for the general Federal-State VR program, except for a lower acceptance rate. Pittsburg, on the other hand, made maximum use of training toward paraprofessional placements. The results dichotomize into quality vs. quantity—St. Louis made a lot more people a little better off; Pittsburg made fewer people more independent of the welfare rolls. It should be noted, in addition, that the welfare allowances in Pittsburg are relatively high and that a reduction of economic dependency is evidence of considerably greater rehabilitation effort than in areas providing relatively lower assistance payments (59).

Rehabilitation Centers

Rehabilitation centers and facilities have been the sites of several demonstration projects for the PA recipient or the "hard-core" unemployed. The following section describes a number of such centers.

In 1964, the Crotched Mountain Rehabilitation Center in Greenfield, New Hampshire began a three-year demonstration to assess (among other things) the contribution which a medically-oriented center such as theirs might make to PA/VR (60). This project began before the SRS emphasis on the PA recipient, and operated totally without benefit of the R&D findings available today. The Center itself provided the evaluation component of VR service activity for the 109 clients accepted into the project. Clients were 77% male, 50% married and living with large families, and averaged 44 years of age. As a group, they were quite dissimilar from the typical AFDC recipient of 1972 who is a 30 year old separated or divorced woman. At admission, 48% were receiving GA, 15.6% AFDC, 35.8% were welfare applicants, and only one client was receiving APTD. Fully 50% had orthopedic impairments. The were most like the average welfare client in that most had completed no more than an eighth grade education, and only 46% were characterized as having a stable work history.

The Center’s original evaluation program consisted of physical therapy, occupational therapy, prevocational medical evaluation,

*Hard-core is not an easy term to define. It does not necessarily mean receipt of public welfare but rather a long history of chronic unemployment and resistance to job seeking, training, or rehabilitation efforts.
and nursing, audiology and speech therapy. During the final year, focus shifted to AFDC and APTD recipients, and a one-week comprehensive evaluation consisting of medical and vocational evaluation and physical and occupational therapy was instituted.

Of the 109 clients who were accepted for service, 26 were rehabilitated, 22 of them into full-time employment, at an average case service cost of $973 per rehabilitant. Three had their PA grants terminated.

A case study presented in the project report highlights one of the major problems VR faces in reducing the economic dependency of the PA client. A 32-year-old married male, with five children, was one of the AFDC recipients approached for project participation. One year earlier he had sustained a severe back injury and had just begun receiving $273 per month AFDC plus medical benefits—a figure equivalent to, if not more than, the highest gross income he had ever earned (60).

An entirely different approach was begun in 1965 when a three-year demonstration established a live-in training center for AFDC mothers and their children in Washington, D.C. (57). Standard VR eligibility criteria applied to applicants—those selected averaged 22 years of age, with a 10th grade education, no employment skills, little work experience, and a certified mental or physical disability.

During a four to six month training period, the center (a large old house) was both home and school for the mothers and their children. Mothers were instructed in basic areas of home management, health, and child care; and assigned to work try-outs as nursery aides, kitchen helpers, salad girls, clerical workers, maids, clerk-typists, and receptionists. Some on-the-job training placements and long-term training in business, cosmetology, dressmaking and dental technology were also used.

The only outcome information is that 180 (78%) of the 230 mothers who completed training during the three years were successfully employed and earning wages averaging “more per month than the average AFDC grant.”

The Minneapolis Rehabilitation Center conducted a one-year project applying their normal evaluation, psychological, and vocational services to a group of 170 hard-core unemployed adults referred by the State Employment Service (84). Of the trainees, 85% were men, 55% were single, separated, widowed, or divorced, and 89% were white. About one-third had physical handicaps and it was estimated that about 55% would have qualified for services from VR;
35% were receiving welfare at referral, and 58% had received welfare at some time.

Of the original group of 170, 54% started the program. But 19% did not appear for the first interview, 4% were not interested in the program after the first interview, 5% were not accepted for service, and 18% failed to start after the first interview. This is one of the few studies reviewed which attempted to trace and characterize those lost between referral and beginning training. The “no shows” seemed to have less serious employment problems than the others, having worked more frequently in recent years. A large number of this group were women. The primary reason for rejection of 5% was that they needed psychiatric services, sheltered employment, or services other than those the Center could provide. Of the “no starts,” about 25% had found employment. Others seemed to value the stability of their present financial arrangements.

For those who started the program, the dropout rate was 19%. Of the dropouts, 71% were, or had been, public assistance recipients. Of the remaining 74, 19% were considered to be unemployable (mostly for reasons of mental illness), and 54 (59%) were employable. Of the 54 successful completors, 56% were closed after being in employment for a minimum of three months, 12% were employed and still being followed, and 24% were seeking employment. The average cost per enrollee for this project was $803. Project staff conclude that between 70% and 80% of completors will enter the labor force and be employed at least three months.

One caution which must be offered in interpreting this project’s results is the very strong emphasis project staff place on determining the mental illness or instability of the group. Such interpretations are not substantiated by reports of clinical tests or diagnoses.

In 1966, five rehabilitation facilities began applying their physical restoration and vocational services to the problems of the hard-core unemployed, with financial support from DOL. Clients were the nondisabled-disadvantaged. The typical project client was a single, white, unskilled female, between 22 and 39 years of age, with less than a high school education. She had no income of her own, but was the head of her household. Facilities were used as service components of the WIN program.

Smits and Walker (80) report a conference in which three of the five demonstrations are described briefly. In general, the three facilities experienced only a moderate degree of success with their clients,
placing between 35% and 45% in employment or training programs. Facilities stressed personal social adjustment and coping behaviors through use of intensive personal and motivational counseling. From the information reported, it is not possible to make an informed evaluation of these programs; however, it appears that these facilities provided personal adjustment service for those individuals not ready for direct training or employment placement.

The Hot Springs Rehabilitation Center (Arkansas) is currently conducting a research and demonstration project begun in 1968 to serve the rural AFDC mother in a residential facility (63, 64, 64a, 70). The Center's current goal is to change the PA client toward a more "main-stream societal life style." After a false start with a behavior modification orientation, the program now has the following components: (1) evaluation, (2) prevocational (work adjustment, remedial education) and vocational training, (3) 5 weeks of didactic training in such areas as management of personal and financial affairs, and (4) 10 weeks of group therapy.

Clients served are predominantly black AFDC mothers who are the heads of their households. Clients are usually under 30, have two or three children, and have been receiving PA less than two years. By 1971, 120 clients had completed the program or terminated. Of these, 59 (49%) were employed, 54 (45%) were unemployed, and 7 were homemakers. The PA grants of 68 (57%) were affected—58 were totally off the rolls and 10 had reduced payments. The early stages of the program found the PA client to be slightly more successful than the typical center client in completing the program. In addition, many of the dropouts became employed.

The final report of this project, just issued, reports a wide range of demographic, social, cultural and economic variables for 83 clients who had either completed or dropped out of the Center program. Since this represents only 50% of those clients who were eligible for the follow-up, the figures may not be representative. Of this group, 34 (41%) were employed, and 49 (59%) were unemployed at follow-up. Fifty-eight (69.9%) remained on the welfare rolls. Mean monthly PA payments for those remaining on welfare did not decrease.

These three projects do not offer much evidence to either support or reject the use of the residential center's programs for the PA recipient in terms of reducing economic dependency. The philosophy of temporary removal from the debilitating home environment and intensive wide range services appears similar to that of the Job Corps, which has not been well evaluated either.
Minority Groups

Of the PA clients served by VR agencies, 80% are white; and 50% of all AFDC recipients in the country are white. VR does, however, serve the minority group PA recipient with at least the same degree of success it has with all PA recipients. Projects serving primarily black clients were cited under the Low-Income Housing Projects section. In this section we will briefly present the findings of two projects serving primarily Latin-American clients.

Arizona compared the results of VR services to a group of 153 Mexican-Americans and 153 Anglo-Americans to determine gains in employment and economic independence (69). Eighty-one percent of the Mexican-Americans were unemployed at acceptance, and 25.7% were receiving public assistance. At closure, 44.3% were employed, and 13.7% were receiving PA payments. Percentage-wise, Mexican-Americans showed a greater reduction in economic dependency than Anglos. The major conclusion of the project staff was, however, that when working, both Mexican-Americans and Anglo-Americans commanded incomes averaging slightly less than $3,000 per year, which is, of course, below poverty level.

One of 27 PA/VR demonstrations funded by SRS in state VR agencies in the mid-60's was conducted in San Antonio, Texas (55). Project clients were 90% Latin-Americans. The client sample is atypical of the welfare population as a whole only in that 90% were men, and of course, that 90% were Latin-American. In regards to age, education level, etc., they are much the same. The project focused on prediction of rehabilitation success by use of several tests. Fifty percent of all closures from service status were successfully rehabilitated into employment.

The Nondisabled Public Assistance Recipient

The nondisabled public assistance recipient is not served by the traditional Federal-State VR program since he does not meet the first eligibility criteria—a certifiable physical or mental disability or behavior disorder.

From 1955 to 1967, Washington State operated a VR program for the nondisabled PA recipient (79, 85). This program was funded solely by the state. Success rates for those served were comparable to success rates for the disabled PA recipient.

The clients accepted were either PA recipients or clients judged to
be potentially headed for the PA rolls. In FY 1967, the last year of operation, 392 nondisabled PA recipients were rehabilitated. Their weekly earnings rose from an average of $1.27 at acceptance to an average of $78.00 at closure with a concurrent drop in average monthly PA payments from $139 at acceptance to $43.77 at closure. Thus, VR services did reduce economic dependence, but did not remove all rehabilitants from the welfare rolls. It also increased earning power but did not take it above the poverty level.

During FY 1967 Washington State PA/VR clients, both disabled and nondisabled, received appreciably more training, maintenance, and transportation services than those PA/VR clients rehabilitated nationally. Training was given 87.4% of the nondisabled and 70.7% of the disabled in Washington State, compared to 31.2% nationally. And 68.7% and 61.4%, respectively, received maintenance and transportation, compared to 28.8% nationally. This focus on training and necessary related services resulted in higher percentages of Washington rehabilitants with earnings at closure (99.2% for the nondisabled, 94.0% for the disabled, 77.1% nationally) and higher weekly earnings at closure ($78.00 for the nondisabled, $80.45 for the disabled, $43.55 nationally). Earnings for FY 1967 Washington State PA/VR rehabilitants are slightly above the 1968 poverty level income; earnings for FY 1967 PA/VR rehabilitants nationally are about $1,300 below the 1968 poverty level. This was partially due to the fact that national closures included successfully rehabilitated homemakers, an employment category not used for the nondisabled program in Washington State. It is interesting to note that although Washington State clients received training more often, average training costs for each rehabilitant were lower than for all United States PA/VR clients ($236-nondisabled, $494-disabled, $589-nationally).

At acceptance, 97% of the nondisabled PA clients were on welfare; at closure, 31% remained on the rolls. Fully 20% were rehabilitated into professional employment with rehabilitation plans taking an average of 17 months to complete.

Project staff caution that their PA/VR clients are not representative of the AFDC population nationally, nor of the average PA recipient usually served by VR since they were “rather young, fairly...”

This rate of rehabilitation into professional employment is the highest found in any R&D project and is more than double the national figures for PA rehabilitants. Washington State project staff caution that a new occupational coding system in effect may not have been used uniformly for the nondisabled group, resulting in an inflation of this classification. They add that the largest single profession for the nondisabled PA rehabilitant was licensed practical nursing.
well-educated, not members of racial minorities, and, of course, had no serious physical or mental impairments."

In 1965 a new disability category—behavior disorder—was legislatively approved for use by the VR program. Washington State discontinued their independent nondisabled PA/VR program in 1967 to begin serving these same clients under the Federal-State program. However, this interpretation of the behavioral disorder category was not upheld by the Rehabilitation Services Administration regulations, which state:

Factors such as cultural and social deprivation, chronic poverty, public offense, illiteracy and educational deficit, and long-term unemployment do not, in themselves, constitute behavioral disorders . . . (VR Manual, Chapter 16, Section 1, Part III).

In other words, the nondisabled socially disadvantaged cannot be served by the Federal-State Vocational Rehabilitation program. There is, however, provision in Section 15. of the 1968 amendments to the VR Act to provide work evaluation and work adjustment services to such clients, but it has never been funded.

The Wood County (Wisconsin) project, evaluated by the University of Wisconsin Regional Rehabilitation Research Institute, served the nondisabled culturally disadvantaged within a five-year program to expand VR services broadly in the experimental county (66, 74, 87, 88, 89). Overall, project findings indicate that the culturally disadvantaged benefit from VR services at least as much as, if not more than, the physically and mentally disabled.

The total saturation approach of this heavily funded project resulted in 1,339 rehabilitants in one Wisconsin county in a five-year period. Two hundred sixty-five culturally deprived persons were rehabilitated. The following data (Table 6) was collected for 35.0% of them.

At acceptance, 27.2% depended on PA as their primary source of support. At closure, this had been reduced to 9.8%. Average weekly earnings increased by $52.61. While 64.1% were not working or students at acceptance, none were so designated at closure. Six-month follow-up figures on hours worked per week indicate, however, that about 15.9% were no longer working at that time. (The total figure of 32.2% reported as "not working" at follow-up in Table 6 has been reduced by 16.3% to allow for those reported rehabilitated as homemakers or unpaid family workers). We do not know how many, if any, of these either returned to the welfare rolls or had their monthly payments increased.

Culturally-deprived clients rehabilitated were primarily white,
TABLE 6

SOME MEASURES OF REHABILITATION GAIN REPORTED FOR 92 CULTURALLY DISADVANTAGED REHABILITANTS IN THE WOOD-COUNTY, WISCONSIN PROJECT OF EXPANDED VOCATIONAL REHABILITATION SERVICES

<table>
<thead>
<tr>
<th>Gain Measure</th>
<th>At Acceptance</th>
<th>At Closure</th>
<th>At 6-Month Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Source of Support</td>
<td>%</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>27.2</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td>Client Earnings</td>
<td>16.3</td>
<td>54.3</td>
<td></td>
</tr>
<tr>
<td>Other Family Member Earnings</td>
<td>50.0</td>
<td>23.9</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>6.4</td>
<td>22.0*</td>
<td></td>
</tr>
<tr>
<td>Weekly Earnings</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Monthly PA Payments</td>
<td>7.17</td>
<td>59.78</td>
<td></td>
</tr>
<tr>
<td>Work Status</td>
<td>%</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Competitive Labor Market</td>
<td>44.67</td>
<td>17.28</td>
<td></td>
</tr>
<tr>
<td>Homemaker or Unpaid Family</td>
<td>15.2</td>
<td>83.7</td>
<td></td>
</tr>
<tr>
<td>Family Worker</td>
<td>20.7</td>
<td>16.3</td>
<td></td>
</tr>
<tr>
<td>Not Working, Student</td>
<td>64.1</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Hours Worked/Week</td>
<td>Hrs.</td>
<td>Hrs.</td>
<td>Hrs.</td>
</tr>
<tr>
<td>Over 40</td>
<td>21.7</td>
<td>—</td>
<td>50.0</td>
</tr>
<tr>
<td>20–40</td>
<td>7.6</td>
<td>—</td>
<td>14.1</td>
</tr>
<tr>
<td>Less than 20</td>
<td>5.4</td>
<td>—</td>
<td>3.3</td>
</tr>
<tr>
<td>Not Working</td>
<td>65.2</td>
<td>—</td>
<td>32.2**</td>
</tr>
</tbody>
</table>

*Represents an increase in those receiving insurance and pension benefits, and SSDI.
**Includes 16.3% who were homemakers or unpaid family workers at closure.

relatively young (many under 25), and 59% female. The only demographic characteristics which seemed to correlate with success were: (1) being male, and (2) a positive attitude of the client's family toward the idea of rehabilitation.

The traditional VR services delivery system was used, and training was the one type of service found to have the greatest impact on rehabilitation gain.

Both of these projects demonstrate that the traditional VR service model can rehabilitate the nondisabled PA recipient. The question of longevity of economic gain is not readily answered by the projects, although the Wood County report indirectly indicates close to 16% slippage in employed status within six months of closure.
Projects with Follow-up

One of the criteria for successful closure in the VR program is a minimum of 30 days in employment. Rehabilitations reported in program statistics were for the most part closed as soon as the client reached this point and therefore do not give much indication of the long-term effects of VR service on the PA recipient. Follow-up studies are rare in the R&D program also, but those which conducted a follow-up obtained fairly consistent findings.

As part of an effort to establish an Operations Research Unit, the Oklahoma Division of Vocational Rehabilitation conducted a follow-up study of all PA recipients and welfare referrals who had completed VR services between July 1, 1958 and March 1, 1962 (86). From a population of 1,761 they were able to contact 1,475 (84%). At follow-up, clients had been closed from 4 to 38 months, with an average of 23.25 months in closed status. Employment rates decreased as time from closure increased, but remained fairly high (see Table 7). Almost 79% of those still employed were in the same job into which they had been rehabilitated.

PA rehabilitants were more likely than others to be placed in service, agricultural, unskilled, homemaker, and unpaid family worker positions. It is not unexpected, therefore, that their weekly pay was $10 lower than that for the remainder of the rehabilitants. At follow-up, the average salary level of those still employed had increased 11%, but 13% of those contacted—194—were unemployed. Two cited inadequate rehabilitation services as the reason for their unemployment.

In the Oklahoma follow-up study 55% (807 clients) of those surveyed had PA as their major source of support at acceptance for VR

<table>
<thead>
<tr>
<th>Years Since Closure</th>
<th>Employment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>85</td>
</tr>
<tr>
<td>1-2</td>
<td>74</td>
</tr>
<tr>
<td>2-3</td>
<td>73</td>
</tr>
<tr>
<td>3-4</td>
<td>65</td>
</tr>
</tbody>
</table>

38
services. The other 45% were either not on welfare at acceptance (although they were welfare referrals and therefore potential recipients), or were supplementing other income with a welfare grant. As Table 8 shows, at follow-up 65% of the 807 PA clients were not receiving welfare benefits. The largest category of those receiving PA at follow-up were homemakers: they are 22% of the total who were receiving at acceptance, and 62.8% of those receiving at follow-up.

**TABLE 8**

<table>
<thead>
<tr>
<th>PA Status</th>
<th>Number</th>
<th>% of Total</th>
<th>% of Those Receiving PA at Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Receiving</td>
<td>525</td>
<td>65</td>
<td>—</td>
</tr>
<tr>
<td>Receiving</td>
<td>282</td>
<td>35</td>
<td>—</td>
</tr>
<tr>
<td>Working</td>
<td>24</td>
<td>3</td>
<td>8.5</td>
</tr>
<tr>
<td>Unemployed</td>
<td>65</td>
<td>8</td>
<td>23.0</td>
</tr>
<tr>
<td>Unpaid Family Worker</td>
<td>16</td>
<td>2</td>
<td>5.7</td>
</tr>
<tr>
<td>Homemaker</td>
<td>177</td>
<td>22</td>
<td>62.8</td>
</tr>
<tr>
<td>Total</td>
<td>807</td>
<td>100</td>
<td>—</td>
</tr>
</tbody>
</table>

The PA population of the Oklahoma study and the services offered them are typical of PA/VR clients and services in the general VR program. Oklahoma PA recipient rehabilitants were older, more poorly educated, more often widowed, divorced, or separated and composed of a higher proportion of females than the general group of VR rehabilitants. They were provided the full range of VR services, receiving more intensive guidance and counseling and more physical restoration and prostheses than other rehabilitants, and less maintenance and training tuition (although more training fees and supplies). The cost per rehabilitant averaged $50 more per PA rehabilitant than for others.

In 1970, the University of Wisconsin and the Wisconsin DVR united to follow up the long-term effects of rehabilitation services on PA clients in an urban area (83). Only 129 persons (35%) of the total sample of 366 were contacted.

Ninety-four of the 129 clients were PA recipients at acceptance. At closure, 72 remained on the PA rolls; 10 clients on APTD; and 62 on
AFDC or GA. At follow-up, the number of clients receiving PA had decreased to 50, and 63.6% of them were unemployed. The decrease in receipt of PA between closure and follow-up could be interpreted as the operation of time in the work-welfare cycle of the PA recipient which was discussed earlier in this report. Staff of the Wisconsin project state that they believe unemployment status at follow-up should "not be considered unsuccessful or unworthy of public rehabilitation attention," adding:

Many of the former clients at follow-up who were found to be non-remuneratively employed were nevertheless happier, better citizens, and more productive—keeping their own house, self-care, family contributions—than they could have been without rehabilitation service (p. 41).

Gulledge (68) reports on two concurrent (OEO and SRS) projects serving a disadvantaged population in Los Angeles County, California. In the SRS component the Division of Vocational Rehabilitation provided intensive services to the disabled in the disadvantaged population in the target area. Clients served were primarily black, with an average annual income for all families served of $2,700. The projects were swamped with applications for service, with many accepted clients still remaining without rehabilitation plans developed at the close of the project.

In conjunction with the three years of intense service activity, project staff conducted a follow-up of 400 clients 9 to 14 months after their cases had been closed. Of these, 126 (31.5%) had been closed employed. At follow-up, 75% of the successful closures were still working, and 8% of those who had been closed unsuccessfully were employed.

The PA status of the 400 follow-up clients was not reported (40.1% of all project acceptances were PA recipients). At follow-up, 24 of the 162 clients originally closed employed were found to be receiving public assistance; in this PA group seven were employed, 17 were unemployed. Statistics do not permit even a rough estimate of a percentage reduction in receipt of PA, although termination of economic dependency obviously did not occur for all rehabilitated clients.

The Michigan Division of Rehabilitation followed up all clients rehabilitated during FY 1969 two years after case closure (73). A stratified random sample was selected to represent five groups: (1) the physically disabled, (2) the mentally ill, (3) the mentally retarded, (4) PA recipients, and (5) Workmen's Compensation recipients. Of the 1,600 sample clients identified, 1,100 (69%) were contacted. While PA
recipients were present in the other disability categories, we will discuss only those findings from the sample labeled Public Assistance.

As a group, the 232 PA recipients contacted were middle-aged, 50% female, and nearly 40% widowed, separated, or divorced. Seventy-five percent had less than a high school education. At closure, 84.9% had been rehabilitated into competitive employment, 5.2% were placed in sheltered workshops, and 9.9% were homemakers or unpaid family workers. At follow-up, only 44.8% remained in competitive employment, and 4.3% in sheltered employment; the number of homemakers had increased to 13.4%, .8% had become students and 36.5% were not working. Including both competitive and sheltered employment, the follow-up employment rate is 49.1%. About one-half of the unemployed considered themselves in the labor market and were seeking work.

Table 9 shows type of employment (for those employed) at acceptance, case closure and follow-up. Closure figures show some evidence of upgrading—clients in unskilled, semiskilled, and service work decreased, and those in skilled, clerical and professional work increased as a percentage of those employed. However, absolute numbers in all categories increased at closure and unskilled, semiskilled, and service work still represented 56.9% of those employed.

All clients in the sample were PA recipients. Most (56.1%) received AFDC, 21.6% received GA, and 8.6%, received APTD. 34.8% (80 clients)

<table>
<thead>
<tr>
<th>TABLE 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE OF EMPLOYMENT AT ACCEPTANCE, CASE CLOSURE AND FOLLOW-UP FOR PA RECIPIENTS IN THE MICHIGAN FOLLOW-UP STUDY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>At Acceptance</th>
<th>At Closure</th>
<th>At Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Professional and Technical</td>
<td>1</td>
<td>1.1</td>
<td>18</td>
</tr>
<tr>
<td>Clerical</td>
<td>11</td>
<td>11.6</td>
<td>47</td>
</tr>
<tr>
<td>Service</td>
<td>27</td>
<td>28.4</td>
<td>38</td>
</tr>
<tr>
<td>Skilled</td>
<td>5</td>
<td>5.3</td>
<td>22</td>
</tr>
<tr>
<td>Semiskilled</td>
<td>12</td>
<td>12.6</td>
<td>18</td>
</tr>
<tr>
<td>Unskilled</td>
<td>39</td>
<td>41.0</td>
<td>59</td>
</tr>
<tr>
<td>Total Employed</td>
<td>95</td>
<td>100.0</td>
<td>202</td>
</tr>
<tr>
<td>(Total Unemployed)</td>
<td>(137)</td>
<td>---</td>
<td>(30)</td>
</tr>
</tbody>
</table>
were still receiving PA at closure, and 41.3% (95 clients) were receiving PA at follow-up. The PA removal rate was therefore 65% at closure and 59% at follow-up—indicating only 6% slippage for those clients over a two-year period.

Average weekly earnings for all PA rehabilitants were $2.72 at acceptance, $63.74 ($800 below poverty level annually) at closure, and $49.68 ($1,500 below poverty level annually) at follow-up. All five groups of rehabilitants sampled experienced a large gain in earnings at closure and a decrease by follow-up. PA recipients were, however, second only to the mentally ill in the size of the decrease experienced, probably a result of the number who were no longer in the labor force. Those PA recipients who were working at follow-up were averaging $100.23 per week ($5,200 per year) in earnings.

In 1951, the California State Legislature began requiring that all AFDC parents be referred to VR for determination of feasibility. In a December, 1954, California VR agency follow-up study of 50% of those clients rehabilitated during the previous fiscal year, 85% were found to be totally off the welfare rolls, while 10% had had PA payments reinstated. One year later these same clients were again contacted; at that time 90% were independent of PA support (61).

From 1962 to 1967, California conducted a demonstration of early referral of PA recipients for VR services in seven counties (61). The primary target population was AFDC. Only 14.3% of the AFDC referrals were accepted for service; 45% were closed from referral because of lack of interest in rehabilitation or unresolved child-care problems. Among other PA groups 3.8% of the APTD referrals and 6.9% of the GA referrals were accepted. The small number of accepted clients reflects this project’s emphasis on the referral and intake process. Also, 64% of those clients served received training.

A follow-up of all clients three months after being rehabilitated under this program in FY 1963 found that 80% were still off the welfare rolls. Interpretation of this finding must take into account that clients with the most intense handicaps, including child-care problems, were for the most part screened out, and that the service emphasis was training which upgraded the individual’s job skills. Projecting follow-up results for the 1,140 PA clients rehabilitated by the project results in an anticipated total savings of $4.5 million in welfare payments.

In 1961, the State of Washington conducted a follow-up of all nondisabled PA recipients successfully rehabilitated in FY 1957, 1958, and 1959 (85). They were able to locate 89.9%—125—of the 139 clients.
Employment records for five years prior to referral and time after closure (2-4 years) were compared. The most significant findings were that: (1) prior to referral, 105 (84%) were employed less than half the time; while after closure this was reduced to 15 (12%), and (2) prior to referral only 4 cases (3.2%) were employed 90% or more of the time, after closure this increased to 92 cases (73.6%).

Wages also increased substantially, with those closed the longest having the highest average monthly wage ($302). The average for all clients who were employed full-time after closure was of $289 per month. At referral, all 125 cases were receiving PA, and their monthly grants totalled $15,564. After closure only 23 (18.4%) received assistance, and in FY 1961 their PA grants were totaling $2,180 per month.

Pertinent findings are summarized in Table 10.

1. PA clients served by VR do gain and retain employment in the competitive labor market. The rate at which they remain employed is still in question, however, with a range of from 49% to 85% still employed after one year.

2. PA clients do experience a reduction in economic dependency following VR services. The studies consistently found that 70-85% were still off welfare at least one year later, although findings are not conclusive with regard to whether in the follow-up period more enter or leave the rolls.

**TABLE 10**

**SUMMARY OF FINDINGS FROM FOLLOW-UP STUDIES OF PA/VR REHABILITANTS**

<table>
<thead>
<tr>
<th>Project</th>
<th>Months Since Closure</th>
<th>Employment Rate</th>
<th>% on PA at Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oklahoma</td>
<td>1-12</td>
<td>85.0</td>
<td>35.0</td>
</tr>
<tr>
<td></td>
<td>13-24</td>
<td>74.0</td>
<td>N.R. *</td>
</tr>
<tr>
<td></td>
<td>25-36</td>
<td>73.0</td>
<td>N.R.</td>
</tr>
<tr>
<td></td>
<td>37-48</td>
<td>65.0</td>
<td>N.R.</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>1-12</td>
<td>88.0</td>
<td>N.R.</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>9-14</td>
<td>75.0</td>
<td>N.R.</td>
</tr>
<tr>
<td>Michigan</td>
<td>24</td>
<td>49.1</td>
<td>41.3</td>
</tr>
<tr>
<td>California (1951)</td>
<td>12</td>
<td>N.R.</td>
<td>15.0</td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>N.R.</td>
<td>10.0</td>
</tr>
<tr>
<td>California (1960s)</td>
<td>3</td>
<td>N.R.</td>
<td>20.0</td>
</tr>
<tr>
<td>Washington</td>
<td>24-48</td>
<td>73.6</td>
<td>18.4</td>
</tr>
</tbody>
</table>

*Not reported.
Benefit/Cost Studies

Benefit/cost analysis received increasing attention as a tool to measure and improve the efficiency and effectiveness of federal programs in 1965, when a new planning, programming and budgeting system was announced for federal agencies.

The benefit/cost (B:C) model followed for the VR program is that developed by Conley (58), who, after describing the ideal components of such an evaluation, came to the conclusion that data permit B:C analysis only by comparing increased client earnings due to rehabilitation with program costs.

Unfortunately, categories used in estimating costs and benefits vary among VR benefit/cost studies, and the resultant ratios are therefore not comparable. Differences in assumptions and measures of previous earnings, as well as program, administrative, and social costs result in B:C models which, while philosophically following the same train of logic, use different inputs with varying degrees of methodological soundness.

Benefit/cost ratios for VR rehabilitants as a whole have been found to be between 9 (58) and 30 (62). They are much lower for homemakers—4.55—and the not rehabilitated—0.05 (68). The B:C ratios reported for the PA rehabilitant range from nearly 8 to 70 (89), depending on innumerable variables including age, sex, disability, and educational level.

Without attempting thorough analysis of the B:C methodology used in each case, these figures lead to two conclusions. The first is that the Vocational Rehabilitation program is probably cost-beneficial; benefits exceed costs in all studies reported. This conclusion is, however, far from certain. Especially in a time of high unemployment, successful employment creates a substitution effect. The individual employed displaces another person formerly holding or competing for that job, and the benefit measured by his payment of taxes, etc. is cancelled by another person's unemployment. The second conclusion is even less positive—the range of ratios reported reflects not only client variables, but use of different B:C models and methodological flaws as well. The VR program, and other federal programs attempting to serve the PA recipient, have not developed a consensual B:C model to apply to all projects with the primary goal of reducing economic dependency among welfare recipients. This results in benefit/cost studies which cannot be used to compare various programs or types of treatment.

Transfer payments such as welfare payments are not traditionally
included in benefit-cost analysis since they are virtually costless on a national basis. Reduction in public assistance payments is not a net social gain since it is both a benefit and a cost, and cancels itself out; it benefits those who had to provide the money to pay for it, but is a dollar loss to those rehabiliants no longer collecting it (56, 58).

The measure of reduction in transfer payments, including welfare payments is, however, important when considering how taxpayers benefit from vocational rehabilitation services, since a reduction in the amount of money needed for the welfare budget could theoretically reduce taxes, or allow the money to be spent in other important areas.

Conley (58) did such an analysis of PA/VR closures during FY 1960 and 1961. He found that, by closure, PA payments had been reduced by 70%, and estimated PA savings at $9.7 and $11.0 million for the two years, respectively. In addition, he hypothesized that many VR clients who were primarily dependent on family and friends for support at acceptance would have gone on PA without VR intervention.

Summing reduction in welfare payments and increases in Federal taxes paid, Conley got savings figures of $21.0 million and $23.0 million for FY 1961 and ’62. Considering those rehabiliants who would have gone on welfare without help from VR, he estimated savings at $42 million for each year. In this instance, it took from two to five years for taxpayers to recoup their investments in each year’s rehabiliants. He added that PA rehabiliants have an average of 16 working years left over which to repay and more than repay rehabilitation costs.

Grigg (67) calculated reduction in welfare payments for a sample of PA/VR clients served in fourteen SRS selected demonstration projects. He found an average monthly reduction of $62.55 for rehabilitated clients and $24.13 for nonrehabilitated clients, and computed an average monthly reduction for the average client entering one of these projects of $47.95.

Grigg compared the reduction in welfare payments to program costs and hypothesized that program costs are repaid in approximately eleven months. However, Grigg uses costs of services purchased by VR as program costs and therefore significantly underestimates them by leaving out administrative costs and costs of services provided by other agencies.

Many benefits from VR services are, of course, not quantifiable and therefore not amenable to benefit/cost analysis. For a discussion of some of these benefits, see Conley (58), and the RSA study (62).
Summary of Findings from the VR Program

1. Nearly 70% of the PA/VR cases closed each year are closed rehabilitated, which is not radically less than the 75% successful closure rate for all case closures each year. However, PA recipients are more likely than other rehabilitants to be placed outside the competitive labor market—as homemakers (21.9%, vs. 13.2%) and in sheltered employment (2.3% vs. 1.4%). Such outcomes, of course, limit the extent to which economic dependency can be reduced by the program.

2. The VR program has also lacked built-in evaluation components for both its service program and R&D projects. Data is not collected uniformly, with a mind to the policy questions which must be answered, and is usually not detailed enough to allow comparison or sophisticated evaluation. The lack of a standard benefit/cost model hampers comparison of such estimates for different programs and projects.

3. The VR program does succeed in reducing and terminating economic dependence for some of its clients; however, not all PA/VR clients have their grants affected, and many continue on the PA rolls.

4. The VR service program and most of the PA/VR R&D projects conducted serve the disabled public assistance recipient. Results from two demonstration projects indicate as much success with the nondisabled, culturally disadvantaged client, but such clients are not served in the regular VR program because of legislative restrictions.

5. Clients who receive training which enables them to enter semi-skilled, skilled, and paraprofessional jobs experience the most reduction of economic dependency. Training as reported in VR program statistics is, for the most part, not of this type. In FY 1970, 47.5% of all VR rehabilitants received training; however, 50% was personal adjustment training. Only 8.3% of those trained received college or university training (9.6% of successful closures entered professional level jobs), 11.4% received training in a vocational school, and 6.8% received on-the-job training. Many clients probably received adjustment training in combination with another type, but program statistics do not report the overlap.

6. The long-term effects of service in the VR program are uncertain; some demonstrations have found gains in employment rate and reduction of economic dependency holding fairly steady for several years, but no extended follow-up has been conducted nationally on PA/VR rehabilitants. This is crucial since PA recipients have a high
rate of return to unemployment and the welfare rolls, even after training.

7. PA clients served by VR are not completely representative of the welfare population, particularly the AFDC population. VR clients are more frequently male, white, and better educated. It is also uncertain how much "creaming" takes place in the VR process, but clients must appear to the counselor to have the motivation and potential for gainful employment within a reasonable period of time, which would exclude many of the hard-core, long-term recipients.
DISCUSSION OF FINDINGS

Programs for reducing economic dependence through services and training toward employment do some good for some individuals. The majority of clients are not, however, being prepared for or returned to employment which will enable them to attain even modest standards of independence. The efficacy of a program which prepares an individual to enter only low-paying, dead-end jobs with harsh working conditions and little security may be questioned. Many feel that such measures only serve to perpetuate his feelings of failure and incompetence and maintain him in the work-welfare cycle contingent upon personal crises and labor market conditions. Welfare clients are extremely sensitive to this paradox, and are quick to spot a program which cannot or will not offer them services which will change their economic circumstances enough to make it worth their participation. Approximately 50% drop out between referral and entrance in such programs, many possibly for just this reason. A contract to exchange $300 a month in secure welfare payments, medical benefits, and food stamps for $250 a month in wages minus taxes, transportation, clothing and child care expenses, can hardly be thought worthwhile to individuals living at the poverty level.

Evaluators of manpower programs and rehabilitation efforts on behalf of the PA recipient are not encouraged by program results in terms of the national scope of the problem.

(Manpower programs) . . . were never assigned sufficient resources to make a large impact upon the unemployment level, (but) hundreds of thousands of people benefited from their services (92).

Little of this rehabilitation activity makes much difference, however, because too many AFDC mothers are not readily employable; because the Department of Health, Education and Welfare, no matter what its organizational arrangements, is less in control of the public assistance program than are the states; because the states tend to be indifferent to most aspects of the AFDC program except its cost . . . (93).
Federal decision-makers take the opposite approach, however, and are more positive about the economic benefits which are accruing and can accrue from such programs (35, 54). Each group is right from its own particular viewpoint, allowing for the vested interest of federal staff in the continuation of their programs. Given the optimum combination of services, innate capability to develop marketable skills, and a favorable job market, PA recipients can be moved toward economic independence. Consequently, they can return far more than their rehabilitation costs in federal, state, and local taxes paid, and more fully share all the benefits and responsibilities of their community. But take the PA client with little education, little intellectual potential, severe handicaps from home and child care responsibilities; give him minimal service not personalized to his individual needs and no help with major employment barriers, place him in the low-wage job market, and he will flounder. In fact, if he realizes this is his rehabilitation plan, he will often drop out altogether since he can probably do as well for himself and not need to accept the dependent relationship imposed by service providers or the risks associated with marginal employment.

One of the major problems with the manpower and rehabilitation programs as they now operate is an orientation which places "fault" almost entirely within the client rather than attributing any blame to the system. This viewpoint has been reviewed by Caplan and Nelson (90) and Kunce and Cope (44). Caplan and Nelson call it the "person-centered focus"—creating treatment programs to change the person to fit the system—the underlying philosophical orientation is that the person is at fault and the cause of his failure. Kunce and Cope discuss this same idea as the "social-humanitarian viewpoint"—whose goal is habilitating or rehabilitating the individual so he is more capable of fitting into the present socioeconomic system. Kunce and Cope believe this orientation is characteristic of SRS and HEW research and programming activities. An example is the conclusion of an SRS-sponsored research study, "Impediments to Employment" (91), that the greatest employment handicap for the poor is:

... inadequate preparation for the kinds of jobs available in our modern economy ... they often lack the basic preparation to undertake vocational training (p. 26).

This viewpoint ignores altogether or only pays lip service to the double bind faced by the PA recipient—that of being viewed as inadequate by the general public and federal, state and local policy
makers as well as many of the "working poor" with whom he is in direct competition for jobs. DOL and HEW are, however, beginning to act on this problem. WIN II legislation requires that AFDC fathers be placed only in jobs with salaries higher than their welfare payments plus expenses incident to employment. Here for the first time is legislative recognition that the welfare client reacts to the socioeconomic system just as do most other members of the public—in a manner calculated to maintain his family at the highest and most secure level of real income he can achieve.

The alternative to the person-change orientation (there are, of course, degrees between the two alternatives) is "system-change" (Caplan and Nelson) or the "political-economic" orientation (Kunce and Cope). Here the focus is on the social system, or the particular micro-system in question, in this case the employer and the labor market. Kunce and Cope believe this orientation characterizes DOL manpower efforts—but on the basis of our review of programs, research and evaluation literature, we would disagree. All manpower programs attempt to "upgrade" the unemployed so they better fit some estimated demand for labor (94). In essence, the social system is in control and the person who cannot or will not conform is the failure, not the structure of the system in which he must operate. Rearrangements of governmental organizational structures and alterations of programming designs all take place within the same philosophical context, and therefore retain the existing patterns.

And unquestionably some attempts at "upgrading" the client, combined with a sharp eye on labor market conditions, do work. We began this paper with the assumption that our recommendations would not call for changing the social system, but for working within it, and we believe this can be done by moving from almost complete emphasis on "person-change" to a point a larger degree of "system-change." The PA clients we would rehabilitate must be viewed individually, rather than as a group of people who should be satisfied with any job at all, simply because work is the "American way of life."

The VR program as it is now structured is in an excellent position to do just this. Counselors have the capability to prepare individual rehabilitation plans to meet individual client needs and are oriented to the necessity for close contact with employers and the labor market. The problem is that the VR program is not using its potential capabilities in the optimum manner. The answer to the question "Why was this client not rehabilitated?" is often "Poor rehabilitation potential," seldom "A poor rehabilitation plan." PA clients do not
receive the amount and intensity and extent of training which would truly upgrade them into the primary sector labor market. Counselors and their supervisors need to place as much emphasis on the quality of the client's rehabilitation plan and subsequent job status as upon the quantity of closures or other case management indices. Although successful rehabilitants are carefully scrutinized to ascertain their characteristics, their vocational rehabilitation plans are seldom reviewed in depth to ascertain what services, in combination with what client characteristics, make the difference. VR program statistics and R&D findings often direct attention toward the screening out process yielding the maximum successful closures, but tell us almost nothing about the potential of the program for serving the maximum number of clients in a manner most beneficial for both the client and society in terms of reduction of economic dependence. Furthermore the focus in the past has been on those who enrolled in the programs and stayed with them; precious little has been done to learn what is needed to help those who dropped out or were never accepted for services. Future studies of the welfare group need to plan for obtaining such critical information.

One final note—the idea of services toward employment at a living wage permeates this report. There is disagreement in this country as to what level of real income constitutes a living wage; is it the amount fixed as the poverty level, something below that, or something above that? We need some definition based on provision of basic human needs, including food, shelter, and adequate medical care. The situation is complicated by several facts: (1) that many persons in this country are working, earning often even below the poverty level, and still not requesting government aid; (2) that many persons work, earn above the poverty level but often less than they could get on welfare, and do not consider that they live in poverty, and do not request government aid, and (3) that in the more wealthy states, many persons would have to earn well above the poverty level to have real income which would exceed the payments and benefits they can and do obtain on welfare. Where the line should be drawn is not the topic of this report. Neither should the implication that even wages which reduce or terminate economic dependency are still not living wages be taken as a criticism of the manpower and rehabilitation programs; this was not their goal. The implication is more a criticism of the economic system as it is structured, and deserves attention by social economists in the analyses of the issues involved in the recommendations contained in this report.
APPENDIX

POLICY IMPLICATIONS

The following implications for federal policy were drawn from the foregoing literature review. They were presented to the Social and Rehabilitation Service in May, 1973 to assist them in their planning efforts.

National Policy

1. Not all "employable" PA recipients can be trained or rehabilitated to complete financial independence. A reduction in economic dependency should be accepted as the goal for those PA recipients who: (a) are needed by the economy to be members of the secondary labor force and/or (b) who do not have the capability or motivation to be upgraded to jobs in the primary labor force.

2. Public employment programs should be established for those public assistance recipients able to work but unable to find employment because of economic conditions.

3. The federal government must be more consistent in defining the standard of living it would guarantee to all citizens and the methods it finds acceptable to ensure such standards are reached. This includes delineation of an acceptable level of unemployment, acceptable wage rates for secondary labor force jobs, and an acceptable national welfare budget.

4. The possibility of replacing mass manpower programs geared to solution of employer and labor market manpower needs with individualized rehabilitation programs geared to the solution of client needs should be seriously considered as an alternative solution to the welfare crisis.

5. Long-range efforts to solve the welfare crisis must look beyond
the creation and maintenance of manpower training and rehabilitation programs to the social, economic, and political systems in which this problem is embedded. This will mean involvement of economists, social philosophers, and political strategists toward either: eventual modification of the social system or acceptance of a level of social welfare funding which meets the minimum needs of the poor.

**SRS Policy**

1. DHEW and DOL must decide more precisely on the lines of responsibility for those who are referred to VR because they are found incapacitated for WIN. Is VR to provide physical and mental restoration services, and counseling and guidance to raise the client to a level where he is able to participate in WIN, or once he becomes a VR client are his program and eventual categorization to rest with VR? That is, if he is not feasible for VR is he to be dropped from the WIN pool and allowed to remain on welfare, etc.?

2. Cooperation between SRS and the Manpower Administration must be strengthened to avoid duplication of effort or unnecessary recycling of clients. Clients closed successfully after a VR plan and at a level of work and welfare deemed optimum for the client should not be required to enroll in other manpower programs in efforts to further reduce their PA grants nor should they face total termination of the grant.

**SRS Program**

The PA/VR service model should follow the present general pattern of helping the client become job-ready and employed as quickly as feasible, but should be supplemented with continuing “Follow-Along” services after the client’s initial employment in what is usually the secondary labor force. Follow-Along services, including counseling, upgrade training of various types and job or career planning, should be provided as steps leading to employment in the primary labor force. Movement to this job level minimizes the likelihood that the client will reenter the marginal employment-PA cycle.

Upgrade training combined with employment to provide experience in the working world is essential to this plan.
Work-incentives during service and/or marginal employment, including continuance of the welfare grant (rather than substitution of a VR maintenance payment) will minimize the risk felt by the client in embarking on such a plan.

Criteria for successful closure should be an optimum combination of work and welfare for the client. This could be stabilization in a primary labor force job providing upward mobility, and/or stable employment at a salary above poverty level (netting client more than his welfare grant and related benefits after employment expenses).

**SRS Research**

1. Research and demonstration projects on rehabilitation of welfare recipients must be more tightly planned to ensure use of control or comparison groups which will give findings meaning in a larger context. The attempt to study the effects of specific services or sets of services have no meaning unless they can be compared to a group with the same characteristics who received no treatment or a different treatment.

2. Follow-up studies at intervals longer than one year must be conducted to assess the actual duration of gains over time.

3. Studies of rejected applicants are needed to assess the reasons for closure from referral status and start us on the road to serving the most disabled and most hard-core PA recipient.

4. Basic standardized reporting for all R&D PA/VR studies should be implemented and designed to answer questions germane to policy, program planning and service needs of clients, in addition to demographic and agency accounting questions. Consensus on a basic benefit/cost formula should be secured so that future studies will be comparable and additive. Such agreement would not bar application of alternate B:C models or supplemental reporting in studies but would enrich the data base for policy makers and program planners.

5. Given the flow of AFDC mothers into and out of the labor market, an estimate is needed of the number who would take jobs and go off welfare during the course of a year, and if these are, in fact, the AFDC recipients with the best work skills and work habits. Such figures, based on longitudinal studies, would give a much more realistic yardstick against which to measure the real gain from employment and rehabilitation programs.
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